

SESS. II.—1887.

NEW ZEALAND
GOVERNMENT INSURANCE
DEPARTMENT.

ANNUAL REPORT, 1886,

TOGETHER WITH THE

ACTUARIES' REPORT ON THE FINANCIAL CONDITION OF THE AFFAIRS
OF THE DEPARTMENT

AS ON THE 31ST DECEMBER, 1885.



WELLINGTON:
BY AUTHORITY: GEORGE DIDSBURY, GOVERNMENT PRINTER.

1887.

NEW ZEALAND
GOVERNMENT INSURANCE DEPARTMENT,
ESTABLISHED 1870.

COMMISSIONER:
D. M. LUCKIE, F.S.S.

SECRETARY AND ACCOUNTANT:
J. H. RICHARDSON, A.I.A., F.I.A.V.

INSPECTOR OF AGENCIES:
S. W. D'ARCY IRVINE.

CHIEF MEDICAL OFFICER:
A. JOHNSTON, M.D.

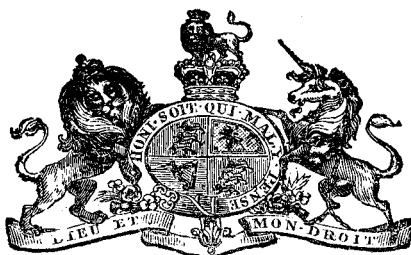
GOVERNMENT ACTUARY AND STATIST:
F. W. FRANKLAND, F.I.A.

ASSISTANT ACTUARY:
MORRIS FOX, A.I.A.

AGENCIES AT NEARLY ALL THE MONEY ORDER POST OFFICES IN THE COLONY.

TABLES OF RATES, FORMS OF PROPOSAL, AND ALL OTHER INFORMATION CAN BE OBTAINED
ON APPLICATION AT ANY AGENCY OF THE DEPARTMENT.

HEAD OFFICE:
CUSTOM HOUSE QUAY, WELLINGTON.



ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER.

*Prepared for Presentation to both Houses of the General Assembly pursuant to the Provisions of
 "The Government Insurance and Annuities Act, 1874;" "The Public Revenues Act, 1882;"
 and "The New Zealand Government Life Insurance Act, 1886."*

WELLINGTON, 30TH JULY, 1887.

IN accordance with the provisions of the statutes above cited, I have the honour to submit the annual accounts of the Government Life Insurance Department for the year ended the 31st December, 1886, and to report on the business of the year.

ORDINARY BRANCH.

NEW BUSINESS.

In this branch there were received for life assurance 5,035 proposals for a total amount of £1,136,836 19s. 11d. These applications comprised 3,503 proposals for assurance in the general section and 1,532 in the temperance section. Of these proposals 453 were declined; 3,560 were completed, and policies to that number were issued. The remaining proposals were not completed. The amount assured under the policies issued was £717,464 9s. 5d. This sum was distributed as follows: In the general section, 2,327 assurance policies, assuring £514,163, and 95 endowment policies, assuring £4,282 9s. 5d; in the temperance section, 1,129 assurance policies, assuring £199,019. In addition to these there were issued nine annuity policies, for which the sum of £3,864 10s. 8d. was received; the annual payments on these annuity policies amount to £448 16s. 4d. This new business represents a total amount

in new annual premiums of £22,377 15s. 4d., in addition to £4,839 18s. received for annuities sold and for single insurance premiums.

Of the 3,560 policies issued, 748, assuring £33,572 14s. 10d., consisted of transfers from the Industrial Branch, which is now being closed.

Considering, amongst other causes, the depressed condition of trade and commerce in the colony, and the hostile competition of foreign offices, together with the misrepresentation by which that competition has been so largely accompanied, these figures show a fairly satisfactory result of the year's new business. Tables giving full particulars are attached to this report.

CLAIMS.

Claims on policies emerging by death in the period reported on numbered 154, representing the demise of 140 policyholders, and the sums assured amounted to £48,136 11s. 3d., or, after deduction of contingent debts, to £48,023 9s. 1d. By maturation of time-policies 19 claims were preferred for the sum of £5,400. These made a total of 173 claims, the payments on which, including reversionary and prospective bonuses added to the nett sums assured, amounted to £56,113 19s. 1d.

ANNUAL INCOME—INTEREST—ACCUMULATED FUNDS.

The income for the year from all sources was £255,603 3s. 2d., which is £14,826 10s. 7d. in excess of the income of the previous year.

Interest received for the year on invested funds amounted to £58,205 2s. 10d. This exceeds the sum paid for claims in the period by £2,091 3s. 9d.

The Accumulated Fund of the department has been increased during the year by the sum of £129,899 4s. 11d., and at 31st December last amounted to £1,231,933 16s. 10d.

THE VALUATION REPORT OF THE LONDON ACTUARIES.

In accordance with law there will be also presented to Parliament the Valuation Report of Messrs. Bailey, Hardy, and King, of London, the Consulting Actuaries who were appointed to investigate the condition and value the assets and liabilities of the department.

The voluminous data transmitted to them were prepared under the immediate direction and superintendence of the Government Actuary and Statist, Mr. Frankland. The schedules embodying the requisite information extended over 1,043 large sheets, and the London Actuaries record their "appreciation of the intelligent care bestowed upon the preparation of these schedules," and state that "their clearness and completeness materially diminished the heavy labour attendant upon the valuation of so large and varied a body of risks" as that embraced by the large number of policies to which these data referred. These policies, including 4,193 belonging to the Industrial Branch, numbered in all 27,411. Those submitted to the Actuaries for valuation for the quinquennial period ending in 1880 numbered 11,707, or only a little over 42 per cent. of the number on which they had on this occasion to adjudicate and report.

The Actuaries say that the extent and variety of the business of the department much exceeded their anticipations, and that the results disclosed by their investigation were more favourable than they expected. Their report shows that the surplus cash profits in the General section for the five and a half years reached the substantial sum of £245,315 11s. 11d. Of this amount the Actuaries recommended the division of £150,000 among the policyholders, leaving a reserve of £95,315 11s. 11d. for future bonuses and contingencies. The amount

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set apart for division represents no less a sum than £319,391 4s. of reversionary bonus additions to the policies of the assured. These figures are of a most satisfactory nature, and of themselves testify to the sound condition of the department. Taking the age of the office into account, they show results which, I am assured, are unequalled in the history of the life assurance institutions of Great Britain or her dependencies.

On the subject of the Temperance section the Actuaries state that this section showed a deficiency of £2,759. On this circumstance these gentlemen, in their preliminary letter to the Agent-General, remark that it "need excite no uneasiness, as no surplus could have been expected to accrue during the short period of the three years and a half of the existence of this separate section." The nett cash profits, after allowing for the Temperance deficiency, are £242,556 11s. 11d.

The results were transmitted by cable message and duly published. A brief interim report was also subsequently received. It was found, however, that a considerable time would elapse before the full Report of the Actuaries would reach this colony. In order to save time in computing and allocating the bonuses and notifying the same to policyholders the Government resolved that there should be exercised the provisional powers vested in the Governor by the Act of 1886, under which His Excellency can direct that the profits may be divided although the Actuaries' Report has not been laid before both Houses of the Assembly. Accordingly an Order in Council was issued directing that the proportion of the cash profits recommended for division by the Actuaries should be so divided and allocated. The calculation of the bonuses to the individual policyholders necessitated a large amount of work. Much time has also been required to prepare the comprehensive tables attached to the Report which had subsequently to be computed and compiled here in reply to the statutory queries specified in the schedules of the Act referring to the valuation procedure.

THE INDUSTRIAL BRANCH.

The closing of this branch is now nearly completed; all the large centres have been practically closed, except two, and the winding-up of the business there is now rapidly approaching completion.

THE RISE AND PROGRESS OF THE DEPARTMENT.

At this stage in the history of this institution a brief narrative of its origin and progress may not be devoid of interest.

The Government Insurance Department has now been in existence nearly eighteen years. It was established by Act of Parliament in 1869. The Bill which became law was introduced by the present Colonial Treasurer, Sir Julius Vogel, who described the disastrous effects* which the failure of numerous private insurance offices had produced in Great Britain, and

* It was shown on this occasion, from a petition presented to the British Parliament in the previous year, that, out of about 400 assurance companies which had been established up to that time in Great Britain, only about 120 then existed; that one-half of the latter number had been set on foot within the previous seven years; and that more than fifty companies were then winding-up in Chancery. It was shown further that serious decrease in the value of life policies had occurred in these cases, although the policyholders had fulfilled their original contracts. Several years ago Mr. Morrice A. Black gave a list of 130 companies which had either been bankrupt, abortive, or fraudulent. Recent years have disclosed numerous other examples of a similar kind in both Great Britain and the United States, in which the bankruptcy of private companies has produced serious loss and disaster to the policyholders and those dependent on them. The most notable of these companies were the Albion, the European, the Albert, the Great Britain Mutual, the Oak, the London and Westminster, the Security Mutual, the Briton Medical and General, and the Continental of America; besides various others, including the French Credit Viager, and the Mutual Trust Fund Life Association of New York.

demonstrated the necessity for legislative action to preserve people in this colony from such disasters, and to provide, for the benefit of all policyholders who insured in the Government office, the certain security of the State. The Bill was passed not only without opposition, but with the full concurrence of Parliament. An amending Act was passed in 1870. In 1874, another Act consolidated the provisions of the previous Acts, and otherwise provided for the expansion and more effective working of the department. The tables of premiums were not originally calculated with a view to profits, but merely at such low rates as to secure safety, the main object of the Legislature being to provide an inviolable guarantee to the assured. Notwithstanding the low premium rates, there were at that time (1874) indications leading to the belief that considerable profits on the business of the office would ultimately accrue. To add to the attractiveness of a National Security Life Assurance Institution, the Legislature, by the Act of that year, provided that the profits should, under competent actuarial recommendation formally approved, be divisible among the assured. The experience of the last thirteen years has fully justified these expectations, as successive valuations have shown. The first valuation made for the period up to June, 1875, showed a surplus cash profit of £12,191, but the Actuaries, though considering the result satisfactory, were of opinion that no division should then be made. The second valuation for the five years ended in 1880 produced a surplus cash profit of £73,670 17s., of which £56,000 was divided, being equivalent to £124,552 2s. of reversionary bonuses added to the policies of the assured. The third and latest valuation above referred to has yielded still more satisfactory results.

For some time prior to the year 1884 there was entertained an opinion that it was desirable to establish the department as a corporate association. In that year an Act was passed incorporating the office, and placing it as an association in charge of a body of ten directors, partly appointed by statute, partly nominated by the Governor, and partly elected by the policyholders. After a brief experience of this arrangement Parliament deemed it undesirable to continue the institution as then constituted, and in the session of 1886 passed an Act repealing the Association Act, abolishing the corporation, and re-establishing the office on the basis of a Government Department. Under this latest Act a Board was constituted for the purpose of managing and controlling investments upon mortgage of freehold lands. The provision for lending a portion of the office funds on such security was one of the principal features in the Association Act. This provision is continued by the new Act now in force. The Board of Investment numbers six members, comprising the Colonial Treasurer, the Solicitor-General, the Surveyor-General, the Property-tax Commissioner, the Public Trustee, and the Government Insurance Commissioner. All loans on mortgage are limited in amount to not more than one-half of the actual value of the property to be mortgaged as the same may be determined by valuers appointed by the Board. No loan on mortgage is granted for any sum beyond £5,000. The Act further provides that not less than one-half of the moneys standing at the credit of the Government Insurance Account shall be invested in securities of the Government of the colony, or upon loans to local authorities, such as counties, boroughs, &c., constituted under Act of Parliament. All such loans must be secured by special fixed rate leviable on the rateable value of property within the town or country district; this rate continues leviable until the loan is repaid. Considerable sums have been so invested, as the attached balance-sheet shows.

The Department recently introduced a mode of lending on mortgage, by which mortgagors make repayment of principal and interest by half-yearly instalments extending over periods of twelve, fifteen, or twenty years. The advantages attending this system of progressive reduction and ultimate and easy liquidation of both principal and interest have proved attractive. Large numbers of applications have been received, and a fair proportion has been entertained and loans have been completed after careful selection.

The growth of the business, the steady increase of the annual revenue, and the equally

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steady increase in the amount of the Accumulated Fund are shown in the following table, which embraces the whole period of the department's existence :—

Period.	Policies issued.	Sums assured.	Annual Revenue.	Increase in Funds.	Total Funds.
		£	£	£	£
Period ended 30th June, 1871 ..	463	206,361	..	..	5,045
Year " 1872 ..	1,357	461,310	18,101	10,011	15,056
" " 1873 ..	1,157	428,615	31,491	21,746	36,802
" " 1874 ..	1,499	510,010	45,735	30,303	67,105
" " 1875 ..	1,374	483,223	63,614	42,863	109,968
" " 1876 ..	1,249	481,170	78,934	43,749	153,717
" " 1877 ..	1,411	564,228	91,995	65,677	219,394
" " 1878 ..	1,994	681,109	111,202	73,129	292,523
" " 1879 ..	2,073	687,574	132,622	79,367	371,890
" " 1880 ..	2,266	722,554	146,205	87,446	459,336
" " 1881 ..	1,790	550,351	156,616	97,895	557,231
" " 1882 ..	2,523	702,909	171,316	96,659	653,890
Half-year ended 31st Dec., 1882 ..	2,547	631,279	189,578	50,999	704,889
Year ended " 1883 ..	5,113	1,039,916	215,550	141,271	846,160
" " 1884 ..	3,309	800,016	228,434	126,616	972,776
" " 1885 ..	4,379	859,770	240,777	129,259	1,102,035
" " 1886 ..	3,560	717,464	255,603	129,899	1,231,934

Among the special advantages which New Zealand enjoys are its favourable climatic conditions, productive of a generally equable temperature. These conditions have naturally exercised and will continue to produce a beneficial influence on the progress of this department, inasmuch as they tend to increase the longevity of the people. The New Zealand tables of mortality show a death-rate materially below that of any other of the Australasian colonies, or indeed of any other State or country. This important factor in the success of the office is made manifest by the figures contained in the subjoined table, which specify the death-rate per thousand of the population in the several colonies of the Australasian group :—

Colony.	Death-rate per 1,000.	Colony.	Death-rate per 1,000.
Queensland	19·58	Tasmania	15·40
Western Australia ..	17·61	Victoria	14·73
New South Wales ..	16·02	South Australia ..	12·48
New Zealand	10·61.		

The differences here set forth range from fully 17½ per cent. in the lowest to nearly 85 per cent. in the highest death-rate in the other colonies in excess of the rate of mortality in New Zealand.

In conclusion, taking into consideration the actual results above narrated, and the manifold and unique advantages which this institution secures, it may be permitted to affirm that its prospects in the future are full of promise, and will exceed in their realisation the satisfactory experience of the past.

D. M. LUCKIE,
Commissioner.

REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT (Ordinary Branch) for the Year ended 31st December, 1886.

	£	s.	d.		£	s.	d.	£	s.	d.
Amount of funds at 31st December, 1885	1,102,084	11	11	Claims under policies, Assurance, including bonus additions				55,713	19	1
Renewal premiums—Assurance, Annuity, and Endowment	183,079	0	7	Endowments matured				400	0	0
New premiums on 3,551 policies, assuring £717,464 9s. 5d., and yielding an annual revenue of £22,377 15s. 4d.	9,405	5	1	Bonus surrendered for cash				542	4	2
Single premiums—Assurance and Endowment	975	7	4	Annuities				3,595	3	3
Consideration for annuities granted	3,864	10	8	Surrenders				21,408	6	4
Interest	58,205	2	10	Commission, new	7,189	0	3			
Fees	73	16	8	" renewal	1,093	1	5	8,282	1	8
				Property-tax				3,745	2	3
				Expenses of Management,—						
				Directors' fees	600	0	0			
				Salaries—Head Office	8,790	11	4			
				" Branch Offices						
				and Agents	5,399	17	9			
				Extra clerical assistance	547	9	4			
				Medical fees	4,150	17	0			
				Travelling expenses	2,343	9	6			
				Advertising	1,107	11	3			
				Printing and stationery	2,309	19	6			
				Rent	1,288	8	3			
				Postage	1,000	0	0			
				Telegrams	825	12	5			
				Exchange	145	13	10			
				Office furniture depreciation	274	1	8			
				General expenses	1,862	15	2			
				Quinquennial expenses	1,370	14	6			
								32,017	1	6
				Amount of funds at 31st December, 1886	1,231,933	16	10			
								£1,357,637	15	1

Government Insurance Office, 31st March, 1887. D. M. LUCKIE, Commissioner.
Audited and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT (Ordinary Branch) on 31st December, 1886.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.		
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account)	1,231,933	16	10	Loans on policies	148,853	14	10		
Claims announced not paid	8,257	12	0	Government securities	559,100	0	0		
Surrenders	2	8	1	Railway debentures (guaranteed by Government)	40,000	0	0		
Annuities	37	11	9	Railway debentures	35,000	0	0		
Commission (new)	339	0	11	Municipal Corporation debentures	67,572	0	0		
Medical fees	685	13	0	County securities	1,000	0	0		
Postage	250	0	0	Otago University debentures	15,000	0	0		
Premium deposits	1,663	2	7	Harbour Board debentures	10,000	0	0		
Mortgage on property taken over by the Association not yet paid	10,000	0	0	Landed and house property	87,132	15	3		
Valuation fee deposits	22	1	0	Office furniture (Head Office and Agencies)	2,452	2	11		
				Mortgages on property	209,480	0	0		
				Overdue premiums on policies in force	£9,815	0	8		
				Outstanding premiums due in December, 1886	16,787	7	8		
							26,602	8	4
				Interest outstanding	2,754	16	0		
				Interest accrued not due	11,678	11	10		
							14,433	7	10
				Agents' balances	1,601	5	6		
				Temporary advance to Industrial Branch	130	3	8		
				Sundry accounts owing	1,441	3	10		
				Cash on current account	33,392	4	0		

Government Insurance Office, 31st March, 1887. D. M. LUCKIE, Commissioner.
Audited and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

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REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT (Industrial Branch), for
the Year ended 31st December, 1886.

	£	s.	d.		£	s.	d.	
Amount of funds at beginning of year ..	2,057	15	10	Claims under policies	493	4	0	
Premiums	1,476	18	8	Surrenders	2,174	11	11	
Interest, &c.	70	15	2	Commission renewal	358	3	6	
Fees	0	11	6	Expenses of Management—				
				Salaries	£240	5	8	
				General expenses	11	8	0	
				Agency-closing expenses ..	304	10	0	
						556	3	8
				Funds at 31st December, 1886 ..		23	18	1
	£3,606	1	2			£3,606	1	2

Government Insurance Office, Wellington, 31st March, 1887.

D. M. LUCKIE, Commissioner.

Audited and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT (Industrial Branch) at 31st December, 1886.

LIABILITIES.				£	s.	d.	ASSETS.				£	s.	d.
Assurance funds	..	..	..	23	18	1	Agents' balances	..	..	..	86	17	1
Ordinary Branch	..	..	..	130	3	8	Cash on hand ..	..	..	..	67	4	8
				£154	1	9					£154	1	9

Government Insurance Office, Wellington, 31st March, 1887.

D. M. LUCKIE, Commissioner.

Audited and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

APPENDIX TO

PART I.—STATEMENT of POLICIES ISSUED and

	ASSURANCE.											
	General.						Temperance.					
	No.	Sum Assured.		Annual Premium.		Annual Extra Risk.	No.	Sum Assured.		Annual Premium.		Annual Extra Risk.
		£	s. d.	£	s. d.	£ s. d.		£	s. d.	£	s. d.	£ s. d.
Total Policies in force at beginning of year ..	19,217	5,801,361	15	2,176,710	19	9 406 16 2	2,894	627,080	16	0 18,254	5 7 16	3 8
Add Policies issued during the year ..	2,327	514,163	0 0	16,211	13 9	0 0 6	1,129	199,019	0 0	6,066	11 3	..
Total ..	21,544	6,315,524	15	2,192,922	13	6 406 16 8	4,023	826,099	16	0 24,320	16 10 16	3 8
Deduct Policies discontinued during the year..	1,524	433,848	0 0	13,863	6 3	55 19 0	337	73,773	0 0	2,033	2 1 3	15 10
Total Policies in force at end of year..	20,020	5,881,676	15	2,179,059	7	3 350 17 8	3,686	752,326	16	0 22,287	14 9 12	7 10

PART II.—PARTICULARS of

How Discontinued.												
By Death ..	146	46,865	0 0	1,579	0 4	3 7 0	8	1,271	11 3	49	4 10	..
Maturity ..	16	5,000	0 0	380	16 5	..	..	..	..	..	..	..
Surrender ..	337	109,904	0 0	3,487	10 6	6 18 10	46	11,600	0 0	329	5 1 0	10 10
Lapse ..	1,014	270,110	0 0	7,741	1 3	11 0 0	277	59,445	0 0	1,601	13 11 2	5 0
Changes ..	..	..	..	19	9 5	5 0 0	..	..	..	1	6 9	..
Other Causes ..	11	1,969	0 0	655	8 4	29 13 2	6	1,456	8 9	51	11 6	1 0 0
Total void ..	1,524	433,848	0 0	13,863	6 3	55 19 0	337	73,773	0 0	2,033	2 1 3	15 10

PART III.—PROGRESS of BUSINESS of the GOVERNMENT INSURANCE

	General Section.							
	No. of Policies.		Sum Assured.		Annual Premiums.		Annual Extra Risk.	
			£	s. d.	£	s. d.	£	s. d.
Total issued ..	33,511	9,590,562	6 6	300,402	2 6	1,504	16 7	5,257
Total discontinued ..	12,483	3,672,147	17 8	119,522	5 7	1,153	18 11	1,025
Total in force ..	21,028	5,918,414	8 10	180,879	16 11	350	17 8	4,232

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DISCONTINUED during the Year ended 31st December, 1886.

ENDOWMENTS AND INVESTMENTS.			ANNUITIES.			TOTAL.				
General.			General.			General and Temperance.				
No.	Sum Assured.	Annual Premium.	No.	Annual Premium.	Annuity.	No.	Sum Assured.	Annual Premium.	Annual Extra Risk.	Annuity.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
1,044	37,833 17 2	1,892 17 10	63	19 19 2	3,911 10 1	23,218	6,466,276 8 4	196,878 2 4	422 19 10	3,911 10 1
95	4,282 9 5	193 4 8	9	..	448 16 4	3,560	717,464 9 5	*22,471 9 8	0 0 6	448 16 4
1,139	42,116 6 7	2,086 2 6	72	19 19 2	4,360 6 5	26,778	7,183,740 17 9	219,349 12 0	423 0 4	4,360 6 5
200	5,378 12 11	285 12 0	3	..	128 0 0	2,064	512,999 12 11	16,182 0 4	59 14 10	128 0 0
939	36,737 13 8	1,800 10 6	69	19 19 2	4,232 6 5	24,714	6,670,741 4 10	203,167 11 8	363 5 6	4,232 6 5

* £22,377 15s. 4d. annual premium income on new policies; £93 14s. 4d. increase in premium income by changes.

POLICIES DISCONTINUED during 1886.

..	..	..	3	..	128 0 0	157	48,136 11 3	1,628 5 2	3 7 0	128 0 0
3	400 0 0	29 3 7	..	..	..	19	5,400 0 0	410 0 0	..	..
9	424 17 8	24 6 7	..	..	..	392	121,928 17 8	3,841 2 2	7 9 8	..
183	4,125 15 1	217 0 4	..	..	..	1,474	333,680 15 1	9,559 15 6	13 5 0	..
..	..	0 11 10	..	..	..	..	..	21 8 0	5 0 0	..
5	428 0 2	14 9 8	..	..	..	22	3,853 8 11	721 9 6	30 13 2	..
200	5,378 12 11	285 12 0	3	..	128 0 0	2,064	512,999 12 11	16,182 0 4	59 14 10	128 0 0

DEPARTMENT since Date of Establishment to 31st December, 1886.

Temperance Section.				TOTAL.				
No. of Policies.	Sum Assured.	Annual Premiums.	Annual Extra Risk.	No. of Policies.	Sum Assured.	Annual Premiums.	Annual Extra Risk.	Annuity.
	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
4,553	937,296 16 0	27,432 13 4	25 13 8	38,064	10,527,859 2 6	327,834 15 10	1,530 10 3	5,257 13 5
867	184,970 0 0	5,144 18 7	13 5 10	13,350	3,857,117 17 8	124,667 4 2	1,167 4 9	1,025 7 0
3,686	752,326 16 0	22,287 14 9	12 7 10	24,714	6,670,741 4 10	203,167 11 8	363 5 6	4,232 6 5



REPORT BY THE CONSULTING ACTUARIES
ON THE
FINANCIAL CONDITION OF THE AFFAIRS
OF THE
NEW ZEALAND
Government Insurance Association,

As on the 31st day of December, 1885,

Made under "The New Zealand Government Insurance Association Act, 1884."



REPORT by the CONSULTING ACTUARIES, Messrs. Arthur Hutcheson Bailey, Ralph Price Hardy, and George King, on the Financial Condition of the Affairs of the New Zealand Government Insurance Association, as on the 31st day of December, 1885, made under "The New Zealand Government Insurance Association Act, 1884."

SIR,—

London, 25th March, 1887.

1. Pursuant to the instructions we had the honour to receive, and in accordance with the provisions of "The New Zealand Government Insurance Association Act, 1884," we have made an investigation into the financial condition of the affairs of the New Zealand Government Insurance Association as on the 31st December, 1885, and we now submit our report.

2. Since the last valuation some important changes have taken place in both the arrangements and constitution of the body now represented by the present Association, which it will be convenient to record here.

The Association was originally founded as a department of the New Zealand Government.

On the 30th June, 1880, the last valuation epoch, there were two branches only, viz., the Ordinary and the Industrial, the latter being insignificant.

On the 13th March, 1882, the Industrial Branch was reconstituted, and a considerable accession of that class of business was secured.

On the 1st July, 1882, a special and separate section was opened in each branch for lives adhering to the principles of total abstinence from intoxicating liquors; the profits of the section to be reserved solely for its own members.

ACTUARIES' REPORT.

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The whole body was thenceforth constituted in four divisions, viz. :—

Ordinary Branch	{	1. General Section.
		2. Temperance Section.
Industrial Branch	{	3. General Section.
		4. Temperance Section.

By "The New Zealand Government Insurance Act, 1884," the existing body was incorporated under the title of "The New Zealand Government Life Insurance Association;" and, by clause 71, the profits appertaining to contracts entered into after the 31st December, 1884 (new series) were made subject to a deduction of one-tenth, for the purposes prescribed by the statute.

The whole body thenceforth, and at the point of the present valuation (31st December, 1885), was constituted in six divisions, no further subdivision of the Industrial Branch having been directed, viz. :—

Ordinary Branch	{	General Section	...	{	1. Old series.
					2. New series.
Industrial Branch	{	Temperance Section	...	{	3. Old series.
					4. New series.
	{	General Section.			5.
		Temperance Section.			6.

From information communicated to us by the Agent-General for New Zealand, we learn that the old and new series have been consolidated. The Association has reverted to the constitution as existing just prior to the Act of 1884, and our valuation has been made accordingly.

3. Amongst the various papers furnished to us, through the Agent-General, were copies of the periodical reports and accounts of the Association for the period elapsed since the last valuation; also schedules, in great detail, containing particulars of the policy and annuity contracts in force on the 31st December, 1885, for each of the six divisions in which the Association was constituted. The number of contracts scheduled for valuation was, in all, 27,411, viz. :—

Branch.	Section.	Series.	No. of Contracts.
Ordinary ..	General ..	Old ..	17,075
		New ..	3,249
		Total ..	20,324
	Temperance ..	Old ..	1,784
		New ..	1,110
		Total ..	2,894
Industrial ..	General ..	..	3,907
	Temperance ..	..	286
		Total ..	4,193

These schedules extended over 1,043 large sheets.

We feel it due to the officers of the Association to record our appreciation of the intelligent care bestowed upon the preparation of these schedules, and to state that their clearness and completeness materially diminished the heavy labour attendant upon the valuation of so large and so varied a body of risks.

ORDINARY BRANCH.

4. A preliminary analysis of the risks showed that there were no less than 207 different groups to be dealt with (irrespective of the Industrial), each of which required distinct

valuation, in some cases, of every separate composing item, and, in others, of minor groups extending over a wide range of ages.

It may be interesting to note the different groups of risks, and the number of contracts contained in each, since they represent the modes in which the present population of the Colony of New Zealand effect their assurances.

The following table will supply some materials on this head :—

GENERAL AND TEMPERANCE SECTIONS COMBINED.						
Nature of Contract.	When payable.	Period of Contribution.	Number.		Amount assured.	Annual Premiums payable.
			Groups for Valuation.	Separate Contracts.		
Assurances ..	Death	Life	24	12,602	£ 3,962,731	£ 107,416
" ..	"	Fixed periods ..	24	886	431,997	11,121
" ..	Death or fixed age ..	"	123	8,592	2,110,152	76,123
" ..	Special	Special " ..	23	181	28,740	1,105
Investments ..	Fixed periods ..	Fixed periods ..	5	894	20,593	1,118
Annuities ..	Current and deferred ..	"	8	63	3,911*	19
			207	23,218	6,554,213 3,911*	196,902

* Per annum.

Again, the following analysis of the main class of risks, namely, those of the ordinary whole-term assurances, is worth placing on record :—

Premium payable.	GENERAL SECTION.						TEMPERANCE SECTION.					
	Number of Policies.	Average Sum assured.	Proportionate Distribution.		Average Age.		Number of Policies.	Average Sum assured.	Proportionate Distribution.		Average Age.	
			Number of Policies.	Sums assured.	At Entry.	At Valuation.			Number of Policies.	Sums assured.	At Entry.	At Valuation.
Yearly ..	1,961	389	17.53	21.39	36.05	42.46	168	294	11.87	14.60	32.37	33.86
Half-yearly ..	4,593	338	41.06	43.52	36.71	42.48	482	255	34.07	36.34	32.70	34.24
Quarterly ..	3,738	269	33.41	28.20	37.33	42.00	638	218	45.09	41.12	34.84	36.41
Monthly ..	895	275	8.00	6.89	35.35	39.22	127	212	8.97	7.94	31.92	33.56
All classes ..	11,187	319	100.00	100.00	36.68	42.05	1,415	239	100.00	100.00	33.55	35.10

5. The accounts of the General and Temperance Sections not having been kept separate, and it being indispensable, before the surplus of each separate section can be ascertained, to show the amount of the fund belonging to each, we have, in accordance with the instructions in Mr. Luckie's memorandum, given our best consideration to the principles upon which the dissection of the accounts should be made.

We think, however, that this apportionment should be undertaken, in future, by the officers of the Association, who are better qualified to make the division, as they have fuller knowledge of the details of the charges. In any case it is essential that, henceforth, the accounts should be separately stated.

The method adopted, on this occasion, has been, for each year,—

- To assign to the respective sections, the expenses that admit of being specifically appropriated—such as commission and medical fees ;
- To divide the remaining expenses between the two sections, in proportion to the premium-income of each ;
- To divide the interest, between the two sections, in proportion to the average fund of each for that particular year.

ACTUARIES' REPORT.

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In this manner, accounts have been prepared of the two sections for the five and a half years that have elapsed since the last valuation.

Of these, the following is the summary :—

INCOME.					
—			General Section.		Temperance Section.
			£	s.	d.
Fund, 30th June, 1880	..	..	459,335	17	0
Premiums	..	..	843,731	1	1
Annuity purchase-money	..	..	11,519	4	2
Interest	..	..	216,322	15	6
Fees	..	..	122	13	1
Tota	..	..	1,531,031	10	10
OUTGO.					
			£	s.	d.
Claims	..	..	217,491	3	0
Surrenders	..	..	64,864	13	6
Bonus surrendered	..	..	8,104	1	0
Annuities..	..	..	13,686	18	0
Property-tax	..	..	1,828	19	5
Expenses, including commission	..	..	139,610	6	0
Fund, 31st Dec., 1885	..	..	1,085,445	9	11
					16,589 2 0

6. The valuation has been made on the data and principles explained in paragraphs 11, 12, 13, and 14; and the results are as follow :—

—			General Section.		Temperance Section.
			£	s.	d.
Fund as above	..	..	1,085,445	0	0
Estimated liability	..	..	840,130	0	0
Surplus	..	..	245,315	0	0
Deficiency	..	..	..		2,759 0 0

7. Of the surplus of £245,315 in the General Section, we recommend that £150,000 be divided on the present occasion, and that £95,315 be reserved. The deficiency in the Temperance Section need not excite uneasiness, since no surplus could have been expected to accrue during the short period that this separate section has been in existence.

8. The surplus of £150,000 proposed for distribution in the General Section should, in our opinion, be divided among the policies on the participating scales, in proportion to the loading on the premiums paid under each since the last valuation of the 30th June, 1880.

For policies that were in force at that date, the loading must therefore be taken for five and a half years; and, for those granted subsequently, from the dates of their respective issue.

No exclusion should be made, but every participating policy, however short the time it may have been in force, should share.

By "loading" is meant, (in whole-term cases where the premium is payable annually throughout life,) the difference between the premiums set out in the policies and the corresponding H^M $4\frac{1}{2}$ per cent. premiums. If an extra premium has been charged on account of the life being under average, it is intended that the loading at the increased age be taken; but, if the policy has been charged with a fixed or sliding debt, then the loading at the true age.

To policies secured by a limited number of premiums, the sum apportioned in cash should be the same as if the policies had been effected by premiums payable throughout life.

In the case of policies subject to half-yearly, quarterly, or monthly premiums, the equivalent annual premiums should be employed; and, if, since the last valuation, premiums have been paid for a number of years and a fraction (for instance, for three and a quarter years), the proportionate amount of cash-bonus should be allotted.

The same principles should be applied to endowment assurances, to assurances on joint lives, and to participating policies of all other classes.

9. Where the bonus is to be applied to increase the sum assured, or to reduce the future premiums, we recommend that the conversion of the cash appropriation should be calculated at $3\frac{1}{2}$ per cent. interest.

The deferred-bonus policies must have their proper cash allotments on the above principles; and, these will have to be converted into reversionary amounts, vesting at the end of the stipulated periods.

10. We think that, until the next valuation, the intermediate bonuses to be allowed should not exceed four-fifths of the rate of cash-bonus now declared.

11. In each of the two preceding valuations, the Institute of Actuaries' "Healthy Males" Mortality Table was employed for the assurance contracts; and, on the present occasion, it has been again adopted.

In making the valuation of the contracts of a life assurance institution, regard must be had to the probable rates of mortality up to the extreme limits of human life. The Association has, however, existed for fifteen years only, and, therefore, cannot, from its own experience, supply the required information.

For the annuity contracts, the tables used were those based upon the recently made analysis (1884) of the duration of the lives of the British Government annuitant nominees; and the sexes have been distinguished.

The liability under the endowment and investment contracts has been estimated by accumulating the premiums paid at 4 per cent. compound interest.

12. Where policies have been granted on lives presumed not to come up to the average vitality, and which have, therefore, been charged with an extra premium, the surcharge has been made in three distinct ways, viz.:—

(a.) By increasing the premium payable;

(b.) By charging the sum assured with a fixed debt, which after a given period is extinguished, leaving the assurance thereafter in force for the full amount; and,

(c.) By charging the sum assured with a sliding debt, diminishing year by year, until it becomes extinguished.

In all these cases, neither the additional premiums nor the debts have been taken into account in the valuation, but have been treated as a fund to provide year by year for the increased mortality expected to arise in this class.

13. The question of the rate of interest to be assumed in the valuation has received our careful consideration.

Looking, first, at the rates that have been realized, an analysis of the accounts, for the five and a half years since the last valuation shows the following results:—

			£	s.	d.	
12 months 1880–81	...	...	5	4	4	per cent per annum.
12 " 1881–82	5	3	5	"
6 " December, 1882	5	4	3	"
12 " 1883	5	6	2	"
12 " 1884	5	6	7	"
12 " 1885	5	0	7	"

ACTUARIES' REPORT.

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By the Act of 1884, the powers of the Association with regard to investments were enlarged, with the object of placing the funds to the best advantage; but, on the other hand, there is a tendency for the rate of interest to become equalized throughout the world, and, consequently, to fall in New Zealand.

Giving due weight to all the circumstances, we are of opinion that, on the present occasion, it may fairly be assumed that a rate of £4 10s. per cent. per annum will continue to be realized in New Zealand.

As stated in paragraph 15, we, however, recommend that a further reserve be made, so that, if thought expedient, the assumed rate of interest may be reduced at future valuations.

14. In the valuation, provision has been made for the immediate payment of claims. For the half-yearly, quarterly, and monthly cases, the true corresponding net premiums have been adopted; and, in all cases, the full loading has been reserved for future expenses and profits, with the proper additional reserve in respect of those policies where the premiums are payable for a limited period only.

15. By employing the true half-yearly, quarterly, and monthly net premiums, instead of the equivalent annual premiums, the estimated liability has, on the present occasion, been somewhat reduced, and the surplus, to an equal extent, increased; but, we do not think that this portion of the surplus should be divided.

The additional premiums paid in respect of policies on under-average lives, and the debts charged against other similar policies, have been, so far as we can judge, more than sufficient to meet the extra mortality already experienced; but, we think that the surplus from this source should, for the present, be reserved. It is possible that the extra mortality may be only deferred, and we think it will be prudent to retain a fund in hand to meet such a contingency.

As already remarked in paragraph 13, we think provision should be made for reducing, if deemed expedient, the assumed rate of interest of future valuations. For these, amongst other, reasons, we have recommended in paragraph 7, that the ascertained surplus of £245,315 should not all be divided, but that £95,315 should be reserved. If our recommendation be adopted, the effect will be to place the Association in the position of having made a net-premium valuation at 4 per cent. interest, and of having set aside an additional reserve for under-average lives.

16. In the Appendix, will be found a tabular statement detailing the contracts as valued, and the results of the valuation. (See pages 24 and 25.)

INDUSTRIAL BRANCH.

17. On the 31st December, 1885, there were in force in this branch 4,193 policies for assurances, amounting to £59,514 14s., and yielding in premiums £2,732 16s. 4d. per annum. The average amount assured by each policy is £14 4s.; the average weekly premium being threepence. Sixty-five per cent. of the policies are on the lives of children. The amount of the fund is £2,058.

We have made a valuation of the liabilities, and are satisfied that, while the fund is sufficient, there is no surplus available for division in this branch; and, as we learn from Mr. Luckie's memorandum that the branch is to be closed without delay, any further discussion seems unnecessary.

We are, Sir,

Your obedient servants,

ARTHUR H. BAILEY.
RALPH P. HARDY.
GEORGE KING.

The Hon. the Colonial Secretary.

APPENDIX

CONTAINING

- I. STATEMENT RESPECTING THE VALUATION OF THE LIABILITIES UNDER LIFE POLICIES REQUIRED BY THE
FOURTH SCHEDULE TO THE ACT.
- II. THE CONSOLIDATED REVENUE ACCOUNT.
- III. ABSTRACT OF THE VALUATION OF THE POLICIES.
- IV. THE VALUATION BALANCE-SHEET.
- V. STATEMENT OF THE LIFE INSURANCE BUSINESS REQUIRED BY THE FIFTH SCHEDULE.
- VI. TABLES OF PREMIUMS.
- VII. TABLE OF SURRENDER VALUES.

FOURTH SCHEDULE.

STATEMENT RESPECTING THE VALUATION OF THE LIABILITIES UNDER LIFE POLICIES AND ANNUITIES
OF THE GOVERNMENT INSURANCE DEPARTMENT, TO BE MADE BY AN ACTUARY OR ACTUARIES.

Question 1.—The date up to which the valuation is made, and the principles on which it is made, showing—

- (a.) Whether whole-life policies are valued individually or in classes :
- (b.) The formula according to which whole-life policies are valued :
- (c.) The manner in which the age at valuation is arrived at :
- (d.) When the next payment of premium is assumed to be due after the date of the valuation :
- (e.) How long after death the sum assured is assumed in the valuation to be payable, and how long after death claims are actually payable :
- (f.) In what manner policies on under-average lives, issued at additional rates on account of unfavourable family or personal history, are dealt with in the valuation.

Answer.—The 31st December, 1885, was the date up to which the valuation was made, and it was made upon the principles explained in paragraphs 11, 12, 13, and 14 of the Actuaries' Report, pages 16, 17. Death claims are paid immediately after the necessary proofs and other documents have been received.

Question 2.—The principles upon which the distribution of profits among the policyholders is made.

Answer.—The surplus has been divided among the policies on the participating scales which were in force on the 31st December, 1885, in proportion to the loading on the premiums paid under each policy since the date of the last division, viz., 30th June, 1880.

The loading was obtained by subtracting from the tabular annual premium the corresponding $H^M 4\frac{1}{2}$ per cent. premium.

In converting the cash surplus into reversionary bonuses, the $H^M_{(6)}$ table of mortality was used, with 4 per cent. interest.

The loading on joint-life policies was obtained by using the Carlisle $4\frac{1}{2}$ per cent. pure premium, and the cash was converted into reversionary bonus by Carlisle $3\frac{1}{2}$ per cent.

Policies secured by a limited number of premiums were treated as though the premiums had been spread over the whole term of the policy.

In all cases of rated-up lives, such lives were treated as though they had been of the higher age.

Question 3.—The Table or Tables of Mortality used in the valuation.

Answer.—See paragraph 11 of Actuaries' Report, page 16.

Question 4.—The rate or rates of interest assumed in the calculations.

Answer.—See paragraph 13 of Actuaries' Report, page 16.

Question 5.—The proportion of the annual premium income (if any) reserved as a provision for future expenses and profits, stating separately the proportion reserved on participating and non-participating policies.

Answer.—The whole of the loading has been reserved on the participating policies.

The whole of the premium has been reserved on the non-participating policies (in which division there are no ordinary whole-life or endowment-assurance policies).

Question 6.—The Consolidated Revenue Account since the last valuation.

Answer.—See page 23.

FOURTH SCHEDULE.

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Question 7.—The liabilities of the Department under life policies and annuities at the date of the valuation, showing the number of policies, the amount assured, and the amount of premiums payable annually under each class of policies both with and without participation in profits; and also the net liabilities and assets of the Department, with the amount of surplus or deficiency.

Answer.—See pages 24, 25, 26.

Question 8.—The time during which a policy must be in force in order to entitle it to share in the profits.

Answer.—Every participating policy in the general section issued before or on the 31st December, 1885, and which was in force at that date, shared in the profits.

Question 9.—The results of the valuation, showing—

- (a.) The total amount of profit made by the Department since last valuation.
- (b.) The amount of profit divided among the policyholders, and the number and amount of the policies which participated :
- (c.) Specimens of bonuses allotted at the distribution of profits to policies for £100 effected at the respective ages of 20, 30, 40, and 50, and having been respectively in force for three years, five years, ten years, and upwards, at intervals of five years respectively, together with specimens of the amounts apportioned under the various modes in which the bonus might be received :
- (d.) Specimens of the net premiums valued for a whole-life policy of £100 for ages at entry, 20, 30, 40, 50, and 60, and the rate of interest and mortality by which they have been computed :
- (e.) The amount reserved by the method of valuation under policies for £100 effected at the respective ages of 20, 30, 40, 50, and 60, and in force for one, two, three, four, five, six, seven, eight, nine, and ten years.

Answer.—(a.) The total amount of profit made by the Department since last valuation was £242,556 11s. 11d.

- (b.) The amount of profit divided amongst the policyholders was £150,000, and the number and amount of policies which participated were 19,203 for the sum of £5,794,861 15s. 2d., or, including reversionary and special bonus additions, £5,882,798 9s. 2d.

(c.) Specimen bonuses in respect of the period, 30th June, 1880, to 31st December, 1885, allotted to policies of £100 each, for the whole term of life.

Age at Entry.	POLICIES IN FORCE FOR						Age at Entry.
	3 Years.			5 Years.			
	Reversionary Addition.	Cash Value.	Reduction of Premium for Life.	Reversionary Addition.	Cash Value.	Reduction of Premium for Life.	
20	£ s. d. 7 2 0	£ s. d. 1 8 7	£ s. d. 0 1 6	£ s. d. 12 0 0	£ s. d. 2 10 7	£ s. d. 0 2 9	20
30	4 18 0	1 5 4	0 1 5	7 17 0	2 2 9	0 2 6	30
40	4 7 0	1 9 4	0 1 11	6 19 0	2 9 8	0 3 4	40
50	4 0 0	1 15 7	0 2 10	6 7 0	2 19 8	0 5 0	50

[Continued.]

FOURTH SCHEDULE.

SPECIMEN BONUSES—continued.

Age at Entry.	POLICIES IN FORCE FOR						Age at Entry.
	10 Years.			15 Years.			
	Reversionary Addition.	Cash Value.	Reduction of Premium for Life.	Reversionary Addition.	Cash Value.	Reduction of Premium for Life.	
20	£ s. d. 7 4 0	£ s. d. 1 14 7	£ s. d. 0 1 11	£ s. d. 6 10 0	£ s. d. 1 15 5	£ s. d. 0 2 1	20
30	7 10 0	2 6 8	0 2 11	6 13 0	2 7 7	0 3 3	30
40	6 10 0	2 13 4	0 3 11	5 17 0	2 15 0	0 4 7	40
50	4 16 0	2 11 3	0 4 11	4 7 0	2 12 3	0 5 10	50

(d.) Specimens of net premiums valued : whole-life assurance of £100. Hm. 4½ per cent.

Age.	Net Premium.
20	£ 1'1697
30	1'5798
40	2'2470
50	3'4240
60	5'5881

(e.) Schedule showing the amount reserved on whole-life policies, for different ages and durations.

Age at Entry.	Duration of Policy.					Age at Entry.
	1 Year.	2 Years.	3 Years.	4 Years.	5 Years.	
20	£ 0'593	£ 1'177	£ 1'780	£ 2'423	£ 3'111	20
30	0'886	1'799	2'742	3'719	4'727	30
40	1'332	2'720	4'161	5'647	7'176	40
50	2'015	4'085	6'200	8'353	10'542	50
60	2'959	5'918	8'867	11'799	14'724	60
Age at Entry.	Duration of Policy.					Age at Entry.
	6 Years.	7 Years.	8 Years.	9 Years.	10 Years.	
20	£ 3'836	£ 4'598	£ 5'369	£ 6'160	£ 6'968	20
30	5'764	6'825	7'913	9'030	10'181	30
40	8'735	10'315	11'921	13'557	15'225	40
50	12'759	15'003	17'272	19'565	21'873	50
60	17'650	20'534	23'536	26'523	29'515	60

FOURTH SCHEDULE.

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FORM REFERRED TO UNDER HEADING No. 6 IN FOURTH SCHEDULE.

CONSOLIDATED REVENUE ACCOUNT

OF THE

GOVERNMENT INSURANCE DEPARTMENT,

FOR THE PERIOD COMMENCING 1ST JULY, 1880, AND ENDING 31ST DECEMBER, 1885.

ORDINARY BRANCH.

	£	s.	d.		£	s.	d.
Amount of Funds on 1st July, 1880..	459,335	17	0	Claims under Policies, Assurance ..	218,674	13	0
Renewal Premiums	806,793	12	4	Claims under Policies, Endowments matured	3,155	0	0
New Premiums	61,075	3	8	Annuities	13,686	18	0
Single Premiums	10,648	18	11	Surrenders	65,146	10	4
Consideration for Annuities granted	11,519	4	2	Bonuses paid in Cash	8,104	1	0
Interest	217,322	2	1	Commission, New	£40,755	19	4
Fees	122	13	1	Commission, Renewal	6,203	12	10
					46,959	12	2
				Expenses of Management,—			
				Salaries	49,733	6	11
				Medical Fees	22,210	18	10
				Travelling Expenses	5,393	19	4
				Advertising	2,544	10	7
				Printing and Stationery	7,858	14	3
				Rent	2,803	16	7
				Postage	4,000	0	0
				Telegrams	1,854	16	3
				Exchange	663	13	2
				Office Furniture depreciation	1,117	9	3
				General Expenses	4,644	11	6
				Compensation for loss of Office	634	8	0
				Quinquennial Valuation Expenses	2,900	0	0
				Alterations in Offices	250	0	0
				Directors' Fees	600	0	0
					107,210	4	8
				Property-tax	1,846	0	2
				Amount of Funds on 31st December, 1885 ..	1,102,034	11	11
	£1,566,817	11	3		£1,566,817	11	3

INDUSTRIAL BRANCH.

	£	s.	d.		£	s.	d.
Amount of Funds on 1st July, 1880 ..	722	14	6	Surrenders	3,413	15	0
Premiums	20,330	11	6	Commission	5,000	11	9
Interest	299	13	5	Claims	2,054	10	0
Fees	2	19	4	Expenses of Management,—			
				Salaries	3,582	10	4
				Medical Fees	966	5	10
				Travelling Expenses	279	15	6
				Advertising	305	12	9
				Printing and Stationery	449	13	11
				Rent	128	15	0
				Postage	450	3	5
				Telegrams	70	8	6
				General Expenses	286	9	11
				Interest	79	6	10
				Preliminary Expenses written off	2,201	12	8
				Office Furniture depreciation	7	15	8
				Miscellaneous	20	15	10
					8,829	6	2
				Amount of Funds on 31st December, 1885 ..	2,057	15	10
	£21,355	18	9		£21,355	18	9

Form referred to under

SUMMARY AND VALUATION OF THE POLICIES OF THE

AS AT THE 31st

GENERAL

DESCRIPTION OF TRANSACTIONS.	PARTICULARS OF THE			
	Number of Policies.	Sums assured.	Bonuses, including Special Bonuses.	Yearly Permanent Reduction of Premiums.
WITH PARTICIPATION IN PROFITS.				
Assurances.		£	£	£
I. For the Whole Term of Life, subject to uniform Premiums throughout Life	11,187	3,568,156.40	56,105.10	13.876
II. For the Whole Term of Life, Limited and Single Premiums	873	412,298.559	15,442.75	3.313
III. Endowment Assurances	7,126	1,809,406.80	16,388.85	8.913
IV. Joint Lives	17	5,000	..	..
TOTAL ASSURANCES WITH PROFITS.. ..	19,203	5,794,861.759	87,936.70	26.102
WITHOUT PARTICIPATION IN PROFITS.				
V. Simple Endowments without Return of Premiums ..	5	1,300	..	..
VI. Simple Endowments with Return of Premiums ..	145	15,940	..	..
XI. and IV. Term Policies (Assurance)	14	6,500	..	..
TOTAL ENDOWMENTS AND ASSURANCES WITHOUT PROFITS	164	23,740	..	..
VII., VIII., IX., and X. Annuities	63	3,911.506*	..	..
V. Investment Policies	894	20,593.859	..	..
Total of the Results	20,324	{ 5,839,195.618 3,911.506* }	87,936.70	26.102

* Per annum.

TEMPERANCE

WITH PARTICIPATION IN PROFITS.				
Assurances.				
I. For the Whole Term of Life, subject to Uniform Premiums throughout Life	1,415	338,468.80	..	..
II. For the Whole Term of Life, Limited and Single Premiums	13	4,256	..	..
III. Endowment Assurances	1,466	284,356	..	..
Total of the Results	2,894	627,080.80	..	..

heading 7 in Fourth Schedule.

GOVERNMENT INSURANCE DEPARTMENT OF NEW ZEALAND,

DECEMBER, 1885.

SECTION.

POLICIES FOR VALUATION.		VALUATION.							NET LIABILITY.
Office Yearly Premiums.	Pure Yearly Premiums.	Sums assured.	Bonuses.	Yearly Reductions of Premiums, including Temporary Reductions.	Office Yearly Premiums.	Pure Yearly Premiums.	Reserve of Loading.		
£ s. d.	£	£	£	£	£	£	£	£	
98,736 14 1	78,884 183	1,377,295	24,504	{ 181 149 }	1,275,215	1,049,693	..	352,436	
10,996 18 0	8,866 686	164,768	6,328	{ 30 9 }	64,687	52,686	25,335	143,784	
66,673 10 6	55,132 187	883,516	9,903	{ 33 15 }	712,364	590,368	500	303,599	
201 3 2	168 543	2,659	..	..	2,015	1,727	..	932
176,608 5 9	143,051 599	2,428,238	40,735	417	2,054,281	1,694,474	25,835	800,751	
54 4 7	50 666	707	..	..	..	..	..	707
720 12 3	..	5,873	..	..	..	..	..	5,873
128 16 0	..	65	..	..	..	..	..	65
903 12 10	50 666	6,645	..	..	..	..	..	6,645
19 19 2	..	30,709	..	..	110	91	..	30,618
1,118 1 0	..	2,116	..	..	..	..	..	2,116
178,649 18 9	143,102 265	2,467,708	40,735	417	2,054,391	1,694,565	25,835	840,130	

SECTION.

8,680 0 1	6,834 339	108,378	..	..	125,669	100,567	..	7,811
124 1 9	88 759	1,131	..	..	1,310	975	99	255
9,450 3 9	7,701 472	112,331	..	..	123,919	101,049	..	11,282
18,254 5 7.	14,624 570	221,840	..	..	250,898	202,591	99	19,348

Form referred to under heading 7 in Fourth Schedule.

VALUATION BALANCE-SHEET
OF THE
GOVERNMENT INSURANCE DEPARTMENT,
AS AT 31ST DECEMBER, 1885.

<i>Dr.</i>	£	s.	d.	<i>Cr.</i>	£	s.	d.
To Net Liability under Assurance and Annuity Transactions (as per Summary Statement provided in Fourth Schedule)	859,478	0	0	By Life Assurance and Annuity Funds (as per Consolidated Revenue Account provided under heading No. 6 in Fourth Schedule) ..	1,102,034	11	11
To Surplus	242,556	11	11				
	£1,102,034	11	11		£1,102,034	11	11

FIFTH SCHEDULE.

STATEMENT OF THE LIFE ASSURANCE AND ANNUITY BUSINESS OF THE GOVERNMENT INSURANCE DEPARTMENT ON THE 31ST DECEMBER, 1885.

Question 1.—The published Table or Tables of Premiums for assurances for the whole term of life, and for endowment assurances, which are in use at the date above mentioned.

Answer.—See pages 29–31.

Question 2.—The total number of policies and amount assured on lives for the whole term of life, with equal annual premiums payable during remainder of life, which are in existence at the date above mentioned, distinguishing the portions assured with and without profits, stating separately the total reversionary bonuses, and specifying the sums assured for each year of life, from the youngest to the oldest ages.

Answer.—See page 32. (There are also special bonuses for £1,327 in addition to the ordinary bonuses shown in the Table.)

Question 3.—The amount of premiums receivable annually for each year of life, after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under heading No. 2, distinguishing ordinary from extra premiums.

Answer.—See page 32.

Question 4.—The total number of policies and amount assured under classes of assurance business other than for the whole term of life, distinguishing the number of policies and sums assured under each class, and stating separately the amount assured with and without profits, and the total amount of reversionary bonuses.

Answer.—See page 33. (There are also special bonuses for £645 in addition to the ordinary bonuses shown in the Table.)

Question 5.—The amount of premiums receivable annually in respect of each such special class of assurances mentioned under heading No. 4, distinguishing ordinary from extra premiums.

Answer.—See page 33.

Question 6.—The total amount of premiums which has been received from the commencement upon all policies under each special class mentioned under heading No. 4, which are in force at the date above mentioned.

Answer.—See page 33.

Question 7.—The total amount of immediate annuities on lives, distinguishing the amounts for each year of life.

Answer.—See page 34.

Question 8.—The amount of all annuities other than those specified under heading No. 7, distinguishing the amount of annuities payable under each class, the amount of premiums annually receivable, and the amount of consideration-money received in respect of each such class, and the total amount of premiums received from the commencement upon all deferred annuities.

Answer.—See page 34.

Question 9.—A Table of Minimum Values, if any, allowed for the surrender of policies for the whole term of life, and for endowments and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of its application to policies of different standing, and taken

out at various interval ages, from the youngest to the oldest ; and a statement to be furnished of the manner in which policies on under-average lives, accepted at additional rates on account of unfavourable family or personal history, are dealt with.

Answer.—See page 35.

Question 10.—A summary similar in form to the Third Schedule, showing the total number of policies in force at the date of the last valuation, the number issued, and the number discontinued by death, maturity, surrender, lapse, and all other causes since the last valuation, stating the number in force at the date above mentioned, and the total annual income.

Answer.—See pages 36 and 37.

FIFTH SCHEDULE.

29

ANSWER TO QUESTION 1.

The PUBLISHED TABLES OF PREMIUMS which were in Use on the 30th June, 1875.

For the ASSURANCE OF LIVES resident in any Part of the World.

PREMIUMS TO SECURE £100, PAYABLE AT DEATH.													ENDOWMENT ASSURANCE.—ANNUAL PREMIUMS TO SECURE £100, TO BE PAID AS INDICATED, OR AT DEATH, IF PRIOR.						
Age next Birthday.	Annual Premium, Whole Life.	ANNUAL PREMIUMS TO CEASE AFTER				Single Premium.	At Age 65.	At Age 60.	At Age 55.	At Age 50.	At Age 45.	At Age 40.	Age next Birthday.						
		5 Years.	10 Years.	15 Years.	20 Years.														
25	£ s. d. 1 14 11	£ s. d. 6 14 0	£ s. d. 3 15 0	£ s. d. 2 15 10	£ s. d. 2 6 8	£ s. d. 31 2 4	£ s. d. 1 19 3	£ s. d. 2 4 2	£ s. d. 2 11 9	£ s. d. 3 3 4	£ s. d. 4 1 9	£ s. d. 5 14 4	25						
26	1 16 0	6 16 11	3 16 9	2 17 1	2 7 9	31 15 10	2 0 7	2 6 0	2 14 3	3 6 9	4 7 3	6 4 4	26						
27	1 17 1	7 0 1	3 18 8	2 18 7	2 9 0	32 9 10	2 2 3	2 7 11	2 16 10	3 10 9	4 13 4	6 15 11	27						
28	1 18 2	7 3 0	4 0 4	2 19 10	2 10 4	33 7 0	2 3 11	2 10 0	2 19 8	3 14 10	5 0 4	7 9 5	28						
29	1 19 4	7 6 0	4 1 11	3 1 2	2 11 5	33 17 2	2 5 6	2 12 1	3 2 6	3 19 3	5 7 11	8 5 4	29						
30	2 0 6	7 9 1	4 4 3	3 2 7	2 12 5	34 9 6	2 7 1	2 14 3	3 5 8	4 4 2	5 16 5	9 4 1	30						
31	2 1 8	7 11 9	4 5 2	3 3 9	2 13 5	35 1 11	2 8 9	2 16 6	3 9 0	4 9 5	6 6 2		31						
32	2 2 10	7 14 7	4 6 11	3 5 0	2 14 6	35 14 10	2 10 8	2 18 11	3 12 6	4 15 4	6 17 5		32						
33	2 4 0	7 17 8	4 8 9	3 5 11	2 15 10	36 8 6	2 12 6	3 1 7	3 16 8	5 2 0	7 10 8		33						
34	2 5 2	8 0 11	4 10 6	3 6 10	2 17 0	37 3 0	2 14 7	3 4 6	4 1 0	5 9 7	8 6 5		34						
35	2 6 6	8 4 0	4 12 6	3 8 0	2 18 2	37 18 0	2 16 11	3 7 9	4 6 0	5 18 3	9 5 5		35						
36	2 8 0	8 7 6	4 14 8	3 10 2	2 19 8	38 13 4	2 19 5	3 11 3	4 11 6	6 8 3			36						
37	2 9 6	8 11 3	4 16 10	3 12 8	3 1 0	39 9 10	3 2 1	3 15 0	4 17 7	6 19 10			37						
38	2 11 2	8 15 0	4 19 1	3 14 4	3 2 7	40 6 3	3 4 11	3 19 1	5 4 5	7 13 4			38						
39	2 12 11	8 18 10	5 1 4	3 16 1	3 4 0	41 3 2	3 8 2	4 3 8	5 12 1	8 9 3			39						
40	2 14 8	9 2 10	5 3 8	3 17 10	3 5 7	41 19 11	3 11 3	4 8 7	6 0 9	9 8 5			40						
41	2 16 5	9 6 5	5 5 8	3 19 5	3 7 0	42 16 0	3 14 7	4 13 10	6 10 8				41						
42	2 18 2	9 10 2	5 7 10	4 1 0	3 8 5	43 12 0	3 18 3	4 19 9	7 1 9				42						
43	2 19 11	9 13 10	5 10 0	4 2 9	3 10 0	44 8 0	4 2 1	5 6 2	7 14 9				43						
44	3 1 10	9 17 5	5 11 11	4 4 4	3 11 6	45 4 10	4 6 6	5 13 6	8 10 3				44						
45	3 3 10	10 1 2	5 13 11	4 6 1	3 13 0	46 1 11	4 11 2	6 1 10	9 8 9				45						
46	3 6 0	10 5 0	5 16 3	4 7 11	3 14 9	47 0 1	4 16 5	6 11 5					46						
47	3 8 5	10 9 0	5 18 7	4 9 8	3 16 10	47 19 4	5 2 5	7 2 5					47						
48	3 11 0	10 13 10	6 1 9	4 12 2	3 19 2	48 19 11	5 9 3	7 15 6					48						
49	3 14 0	10 18 9	6 5 1	4 14 11	4 1 8	50 2 5	5 17 2	8 11 3					49						
50	3 17 4	11 3 9	6 8 9	4 17 8	4 4 0	51 6 6	6 6 2	9 10 3					50						
51	4 1 1	11 9 10	6 12 0	5 1 7	4 6 9	52 12 1	6 16 9						51						
52	4 5 0	11 15 9	6 15 4	5 5 8	4 10 5	53 18 2	7 8 10						52						
53	4 9 3	12 2 2	6 19 2	5 9 0	4 14 5	55 4 8	8 2 11						53						
54	4 13 6	12 8 7	7 3 6	5 12 8	4 18 3	56 11 7	8 19 7						54						
55	4 18 0	12 15 2	7 8 10	5 16 6	5 2 3	57 19 3	9 19 8						55						
56	5 2 9												56						
57	5 7 0												57						
58	5 11 8												58						
59	5 16 7												59						
60	6 1 7												60						

ANSWER TO QUESTION 1—continued.

The PUBLISHED TABLES OF PREMIUMS which were in Use on the 30th June, 1880.

For the ASSURANCE OF LIVES resident in any Part of the World.													
PREMIUMS TO SECURE £100, PAYABLE AT DEATH.							ENDOWMENT ASSURANCE.—ANNUAL PREMIUMS TO SECURE £100, TO BE PAID AS INDICATED, OR AT DEATH, IF PRIOR.						
Age next Birthday.	Annual Premium during whole of Life.	ANNUAL PREMIUM LIMITED TO			Single Premiums.		In 10 Years.	In 15 Years.	In 20 Years.	In 25 Years.	In 30 Years.	In 35 Years.	Age next Birthday.
		Twenty Payments.	Fifteen Payments.	Ten Payments.									
25	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	25
26	1 15 9	2 11 1	3 1 5	4 2 9	33 17 10		9 1 5	5 15 3	4 3 3	3 5 1	2 13 9	2 6 6	26
27	1 16 8	2 12 1	3 2 7	4 4 3	34 9 6		9 1 8	5 15 6	4 3 7	3 5 5	2 14 2	2 7 0	27
28	1 17 8	2 13 2	3 3 9	4 5 10	35 2 2		9 1 11	5 15 10	4 3 11	3 5 9	2 14 7	2 7 6	28
29	1 18 8	2 14 2	3 5 0	4 7 6	35 14 4		9 2 2	5 16 1	4 4 3	3 6 2	2 15 1	2 8 1	29
	1 19 9	2 15 3	3 6 3	4 9 2	36 7 7		9 2 5	5 16 5	4 4 7	3 6 7	2 15 7	2 8 8	
30	2 0 10	2 16 4	3 7 7	4 10 10	37 0 4		9 2 8	5 16 8	4 4 11	3 7 0	2 16 1	2 9 3	30
31	2 2 0	2 17 6	3 8 11	4 12 7	37 14 1		9 2 11	5 16 11	4 5 3	3 7 5	2 16 8	2 9 11	31
32	2 3 2	2 18 8	3 10 3	4 14 4	38 7 3		9 3 2	5 17 3	4 5 8	3 7 11	2 17 3	2 10 8	32
33	2 4 5	2 19 11	3 11 8	4 16 2	39 1 2		9 3 5	5 17 7	4 6 1	3 8 5	2 17 11	2 11 5	33
34	2 5 9	3 1 3	3 13 1	4 18 1	39 15 10		9 3 9	5 17 11	4 6 6	3 9 0	2 18 7	2 12 3	34
35	2 7 2	3 2 7	3 14 7	5 0 0	40 11 1		9 4 1	5 18 4	4 7 0	3 9 7	2 19 4	2 13 2	35
36	2 8 7	3 3 11	3 16 2	5 2 0	41 5 8		9 4 5	5 18 9	4 7 7	3 10 3	3 0 2	2 14 2	36
37	2 10 1	3 5 4	3 17 9	5 4 0	42 0 9		9 4 9	5 19 2	4 8 2	3 11 0	3 1 1	2 15 3	37
38	2 11 8	3 6 9	3 19 5	5 6 1	42 16 4		9 5 1	5 19 8	4 8 9	3 11 9	3 2 0	2 16 5	38
39	2 13 4	3 8 4	4 1 2	5 8 4	43 13 9		9 5 5	6 0 2	4 9 5	3 12 7	3 3 0	2 17 8	39
40	2 15 2	3 10 0	4 3 0	5 10 7	44 10 1		9 5 9	6 0 9	4 10 2	3 13 6	3 4 2	2 19 0	40
41	2 17 1	3 11 9	4 4 11	5 12 11	45 7 10		9 6 3	6 1 4	4 10 11	3 14 6	3 5 5		41
42	2 19 1	3 13 6	4 6 10	5 15 5	46 5 6		9 6 10	6 2 1	4 11 10	3 15 8	3 6 9		42
43	3 1 3	3 15 5	4 8 11	5 18 0	47 4 4		9 7 5	6 2 10	4 12 10	3 16 11	3 8 4		43
44	3 3 6	3 17 5	4 11 1	6 0 8	48 2 9		9 8 2	6 3 9	4 13 11	3 18 4	3 10 0		44
45	3 5 11	3 19 7	4 13 5	6 3 5	49 2 3		9 8 11	6 4 9	4 15 2	3 19 10	3 11 9		45
46	3 8 6	4 1 11	4 15 10	6 6 4	50 2 6		9 9 9	6 5 10	4 16 7	4 1 6			46
47	3 11 2	4 4 3	4 18 4	6 9 4	51 2 4		9 10 8	6 7 0	4 18 1	4 3 3			47
48	3 14 0	4 6 8	5 0 11	6 12 5	52 2 11		9 11 7	6 8 2	4 19 8	4 5 2			48
49	3 17 0	4 9 4	5 3 7	6 15 7	53 3 11		9 12 7	6 9 6	5 1 4	4 7 3			49
50	4 0 2	4 12 1	5 6 5	6 18 10	54 5 2		9 13 8	6 10 11	5 3 2	4 9 7			50
51	4 3 6	4 14 11	5 9 4	7 2 2	55 6 4		9 14 10	6 12 7	5 5 2				51
52	4 7 1	4 18 0	5 12 6	7 5 8	56 8 2		9 16 2	6 14 4	5 7 5				52
53	4 10 11	5 1 4	5 15 10	7 9 5	57 10 7		9 17 9	6 16 4	5 9 11				53
54	4 15 0	5 4 10	5 19 5	7 13 4	58 13 4		9 19 5	6 18 7	5 12 8				54
55	4 19 4	5 8 8	6 3 2	7 17 5	59 17 3		10 1 3	7 1 0	5 15 8				55
56	5 4 0	5 12 8	6 7 2	8 1 8	61 0 0		10 3 4	7 3 8					56
57	5 9 0	5 17 1	6 11 4	8 6 3	62 4 6		10 5 8	7 6 7					57
58	5 14 5	6 1 11	6 15 11	8 11 2	63 10 0		10 8 3	7 9 11					58
59	6 0 3	6 7 2	7 0 11	8 16 6	64 16 4		10 11 3	7 13 8					59
60	6 6 7	6 12 11	7 6 4	9 2 3	66 3 11		10 14 9	7 18 0					60

FIFTH SCHEDULE.

31

ANSWER TO QUESTION 1—continued.

The PUBLISHED NEW TABLES OF PREMIUMS which were in Use on the 31st December, 1885.

For the ASSURANCE OF LIVES resident in any Part of the World.

PREMIUMS TO SECURE £100, PAYABLE AT DEATH.							ENDOWMENT ASSURANCE.—ANNUAL PREMIUMS TO SECURE £100, TO BE PAID AS INDICATED, OR AT DEATH, IF PRIOR.						
Age nearest Birthday.	Annual Premium during whole of Life.	ANNUAL PREMIUM LIMITED TO				Single Payments.	In 10 Years.	In 15 Years.	In 20 Years.	In 25 Years.	In 30 Years.	In 35 Years.	Age nearest Birthday.
		Twenty Payments.	Fifteen Payments.	Ten Payments.	Five Payments.								
15	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	15
16	1 11 1	2 6 11	2 16 8	3 16 8	6 17 11	29 8 0	9 4 8	5 17 3	4 4 6	3 5 8	2 13 10	2 6 0	16
17	1 11 11	2 7 11	2 17 10	3 18 3	7 0 8	29 19 0	9 5 3	5 17 9	4 5 0	3 6 2	2 14 4	2 6 6	17
18	1 12 9	2 9 0	2 19 1	3 19 10	7 3 5	30 10 0	9 5 11	5 18 3	4 5 6	3 6 8	2 14 10	2 7 0	18
19	1 13 8	2 10 1	3 0 4	4 1 7	7 6 5	31 3 0	9 6 5	5 18 9	4 6 0	3 7 2	2 15 4	2 7 6	19
20	1 14 5	2 10 11	3 1 4	4 2 11	7 8 10	31 12 0	9 6 10	5 19 2	4 6 4	3 7 6	2 15 9	2 7 11	20
21	1 15 2	2 11 9	3 2 4	4 4 2	7 11 1	32 2 0	9 7 1	5 19 4	4 6 7	3 7 10	2 16 0	2 8 4	21
22	1 15 11	2 12 7	3 3 4	4 5 6	7 13 4	32 12 0	9 7 2	5 19 6	4 6 9	3 8 0	2 16 4	2 8 7	22
23	1 16 8	2 13 4	3 4 3	4 6 8	7 15 6	33 2 0	9 7 3	5 19 7	4 6 11	3 8 3	2 16 7	2 8 11	23
24	1 17 5	2 14 2	3 5 2	4 7 10	7 17 7	33 11 0	9 7 3	5 19 9	4 7 1	3 8 5	2 16 10	2 9 3	24
25	1 18 3	2 15 0	3 6 2	4 9 3	7 19 11	34 2 0	9 7 5	5 19 11	4 7 4	3 8 8	2 17 1	2 9 7	25
26	1 19 1	2 15 10	3 7 1	4 10 6	8 2 2	34 11 0	9 7 6	6 0 1	4 7 7	3 9 0	2 17 6	2 10 1	26
27	2 0 1	2 16 11	3 8 4	4 12 1	8 4 11	35 4 0	9 7 9	6 0 4	4 7 10	3 9 4	2 17 11	2 10 7	27
28	2 1 1	2 17 11	3 9 7	4 13 8	8 7 8	35 16 0	9 8 0	6 0 8	4 8 2	3 9 9	2 18 4	2 11 1	28
29	2 2 1	2 18 11	3 10 9	4 15 2	8 10 4	36 7 0	9 8 3	6 0 11	4 8 6	3 10 1	2 18 10	2 11 8	29
30	2 3 2	3 0 0	3 12 0	4 16 10	8 13 2	37 0 0	9 8 7	6 1 3	4 8 10	3 10 6	2 19 4	2 12 3	30
31	2 4 3	3 1 1	3 13 3	4 18 6	8 16 0	37 12 0	9 8 10	6 1 7	4 9 3	3 11 0	2 19 10	2 12 11	31
32	2 5 5	3 2 3	3 14 7	5 0 2	8 18 11	38 5 0	9 9 1	6 1 10	4 9 7	3 11 5	3 0 5	2 13 7	32
33	2 6 8	3 3 5	3 15 11	5 1 11	9 2 0	38 18 0	9 9 4	6 2 2	4 10 0	3 11 11	3 1 0	2 14 4	33
34	2 7 11	3 4 8	3 17 4	5 3 9	9 5 0	39 12 0	9 9 7	6 2 6	4 10 5	3 12 5	3 1 8	2 15 1	34
35	2 9 3	3 5 11	3 18 9	5 5 7	9 8 3	40 6 0	9 9 11	6 2 10	4 10 10	3 13 0	3 2 4	2 16 0	35
36	2 10 8	3 7 3	4 0 2	5 7 6	9 11 6	41 0 0	9 10 3	6 3 3	4 11 5	3 13 8	3 3 2	2 16 11	36
37	2 12 2	3 8 7	4 1 9	5 9 6	9 14 11	41 15 0	9 10 7	6 3 8	4 11 11	3 14 4	3 4 0	2 17 11	37
38	2 13 9	3 10 1	4 3 5	5 11 7	9 18 7	42 11 0	9 10 11	6 4 2	4 12 6	3 15 0	3 4 10	2 19 0	38
39	2 15 4	3 11 6	4 5 0	5 13 7	10 2 0	43 6 0	9 11 3	6 4 8	4 13 1	3 15 10	3 5 10	3 0 2	39
40	2 17 1	3 13 1	4 6 9	5 15 9	10 5 8	44 2 0	9 11 7	6 5 2	4 13 9	3 16 8	3 6 11	3 1 5	40
41	2 18 11	3 14 9	4 8 7	5 18 1	10 9 6	44 19 0	9 12 0	6 5 9	4 14 6	3 17 7	3 8 0	3 2 10	41
42	3 0 10	3 16 5	4 10 6	6 0 5	10 13 4	45 16 0	9 12 6	6 6 4	4 15 4	3 18 7	3 9 4		42
43	3 2 10	3 18 2	4 12 4	6 2 9	10 17 2	46 13 0	9 13 1	6 7 1	4 16 3	3 19 9	3 10 9		43
44	3 5 1	4 0 2	4 14 6	6 5 5	11 1 7	47 12 0	9 13 8	6 7 11	4 17 3	4 1 1	3 12 3		44
45	3 7 5	4 2 3	4 16 9	6 8 1	11 6 1	48 11 0	9 14 5	6 8 9	4 18 5	4 2 6	3 14 0		45
46	3 9 10	4 4 4	4 19 0	6 10 10	11 10 5	49 9 0	9 15 3	6 9 10	4 19 8	4 4 1	3 15 10		46
47	3 12 6	4 6 8	5 1 6	6 13 9	11 15 3	50 10 0	9 16 1	6 10 11	5 1 1	4 5 9			47
48	3 15 3	4 9 1	5 4 0	6 16 10	12 0 1	51 10 0	9 17 0	6 12 0	5 2 6	4 7 6			48
49	3 18 1	4 11 6	5 6 5	6 19 8	12 4 8	52 9 0	9 17 11	6 13 3	5 4 2	4 9 6			49
50	4 1 2	4 14 1	5 9 2	7 2 11	12 9 9	53 11 0	9 18 11	6 14 8	5 5 10	4 11 7			50
51	4 4 4	4 16 10	5 11 11	7 6 1	12 14 8	54 11 0	10 0 0	6 16 1	5 7 9	4 13 11			51
52	4 7 9	4 19 9	5 14 11	7 9 5	12 19 9	55 12 0	10 1 3	6 17 9	5 9 10				52
53	4 11 5	5 2 10	5 18 1	7 12 11	13 5 1	56 14 0	10 2 7	6 19 7	5 12 2				53
54	4 15 4	5 6 3	6 1 5	7 16 8	13 10 8	57 17 0	10 4 2	7 1 8	5 14 8				54
55	4 19 6	5 9 10	6 5 0	8 0 7	13 16 5	59 0 0	10 5 11	7 3 11	5 17 6				55
56	5 4 0	5 13 9	6 8 10	8 4 9	14 2 6	60 4 0	10 7 10	7 6 4	6 0 7				56
57	5 8 8	5 17 9	6 12 9	8 8 11	14 8 4	61 6 0	10 9 11	7 9 1					57
58	5 13 8	6 2 1	6 16 11	8 13 5	14 14 5	62 10 0	10 12 3	7 12 1					58
59	5 19 2	6 7 0	7 1 7	8 18 4	15 1 3	63 15 0	10 15 0	7 15 6					59
60	6 5 5	6 12 8	7 7 0	9 4 1	15 9 2	65 5 0	10 18 1	7 19 5					60
	6 12 0	6 18 7	7 12 7	9 9 11	15 17 2	66 14 0	11 1 11	8 4 1					60

32

FIFTH SCHEDULE.

ANSWER TO QUESTIONS 2 AND 3.

ASSURANCES FOR THE WHOLE TERM OF LIFE BY EVEN ANNUAL PREMIUMS IN FORCE AT
31ST DECEMBER, 1885.

Age attained.	GENERAL SECTION.						Age attained.	TEMPERANCE SECTION.					
	Number of Policies.	Amount assured.	Bonus Additions.	Annual Premiums.		Number of Policies.		Amount assured.	Annual Premiums.				
				Ordinary.	Extra.				Ordinary.	Extra.			
9	1	£ 20 0 0	..	£ 0 6 3	..	9	..	£ ..	£ ..	£ ..	£ ..		
10	..	..	..	..	..	10	..	..	..	..	..
11	..	..	..	..	..	11	..	..	..	..	..
12	..	..	..	..	..	12	1	100 0 0	1 11 1	..	..
13	1	50 0 0	..	0 18 4	..	13	..	..	..	..	..
14	2	220 0 0	..	3 9 0	..	14	5	575 0 0	9 2 0	..	..
15	7	445 0 0	..	7 4 0	..	15	10	1,920 0 0	29 8 3	..	..
16	8	1,565 0 0	..	23 4 11	..	16	16	3,390 0 0	55 0 0	..	..
17	17	3,170 0 0	..	51 18 8	..	17	17	3,050 0 0	49 19 4	..	..
18	21	3,800 0 0	..	61 11 6	..	18	19	3,940 0 0	66 2 5	..	..
19	42	11,050 0 0	..	187 3 6	..	19	26	5,575 0 0	95 4 6	1 0 0	..		
20	44	8,870 0 0	..	154 10 6	1 10 0	20	25	5,900 0 0	103 17 8	..	..
21	50	13,350 0 0	..	235 4 1	..	21	34	8,175 0 0	146 0 2	..	..
22	56	19,800 0 0	..	355 3 8	..	22	29	9,200 0 0	165 19 0	..	..
23	77	24,540 0 0	..	450 8 2	..	23	32	9,900 0 0	181 15 0	..	..
24	77	22,025 0 0	..	408 10 6	..	24	43	10,800 0 0	199 1 3	..	..
25	122	38,100 0 0	..	701 11 5	1 0 0	25	47	12,705 0 0	236 5 4	..	..
26	143	46,544 0 0	7 60	870 1 11	..	26	42	11,250 0 0	214 9 0	..	..
27	174	52,074 0 0	44 60	999 12 0	1 15 0	27	53	13,750 0 0	263 17 0	..	..
28	203	51,585 0 0	24 75	1,001 16 10	1 0 0	28	37	8,900 0 0	176 0 6	..	..
29	237	73,900 0 0	94 85	1,457 1 4	6 0 0	29	48	13,250 0 0	269 12 7	..	..
30	261	80,575 0 0	257 95	1,623 9 11	1 5 0	30	57	13,950 0 0	287 9 3	..	..
31	281	84,053 0 0	214 35	1,726 2 5	1 5 0	31	48	11,400 0 0	241 17 7	..	..
32	315	102,350 0 0	376 95	2,118 9 9	2 5 0	32	48	12,200 0 0	263 13 3	..	..
33	336	104,150 0 0	333 55	2,222 8 11	5 5 0	33	48	11,125 0 0	253 8 5	0 10 0	..		
34	334	110,611 0 0	542 05	2,413 9 11	2 0 0	34	44	9,150 0 0	215 10 7	..	..
35	343	107,308 0 0	762 45	2,363 15 8	6 0 0	35	46	11,350 0 0	273 7 2	..	..
36	333	101,300 0 0	669 95	2,308 1 4	5 0 0	36	37	7,500 0 0	184 4 11	0 10 0	..		
37	346	99,027 0 0	771 30	2,322 15 2	9 2 6	37	46	10,400 0 0	265 0 0	..	..
38	370	124,026 0 0	1,404 40	2,938 0 0	4 17 8	38	39	9,080 0 0	239 17 1	..	..
39	395	115,243 0 0	1,380 55	2,815 7 0	3 10 0	39	53	11,000 0 0	298 11 3	0 5 0	..		
40	412	131,315 0 0	2,446 85	3,259 13 1	11 15 0	40	43	9,600 0 0	262 11 3	0 7 6	..		
41	478	160,102 0 0	2,003 95	4,132 2 11	12 17 6	41	30	6,100 0 0	174 14 9	..	..
42	419	133,705 0 0	2,248 20	3,499 0 3	8 16 2	42	44	9,050 0 0	266 10 5	1 5 0	..		
43	422	134,453 0 0	2,392 70	3,612 14 7	23 10 0	43	45	12,270 0 0	374 0 6	1 0 0	..		
44	433	138,700 0 0	3,294 40	3,757 6 8	11 7 6	44	41	11,250 0 0	380 6 9	2 10 0	..		
45	486	155,684 0 0	2,965 45	4,409 14 3	11 10 4	45	29	7,550 0 0	251 6 8	..	..
46	407	114,779 0 0	2,317 50	3,341 8 7	15 12 0	46	37	7,017 0 0	242 7 11	..	..
47	394	139,901 0 0	3,292 85	4,091 6 10	14 18 6	47	32	6,400 0 0	228 10 9	..	..
48	387	131,076 0 0	3,036 40	4,086 11 7	9 2 6	48	23	4,700 0 0	179 5 1	0 10 0	..		
49	391	123,180 0 0	2,980 05	3,895 8 3	15 5 0	49	20	4,350 0 0	169 0 8	..	..
50	307	101,395 0 0	1,880 60	3,358 16 7	4 18 10	50	24	10,875 0 0	424 12 10	..	..
51	303	92,946 0 0	2,592 20	3,090 19 1	4 4 8	51	21	4,940 0 0	200 14 8	..	..
52	292	92,116 0 0	2,228 40	3,197 13 0	12 12 0	52	20	4,975 0 0	219 4 0	..	..
53	278	101,507 0 0	2,416 75	3,644 1 3	6 5 0	53	12	1,700 0 0	76 6 9	..	..
54	198	69,461 4 0	2,336 00	2,456 17 0	5 0 0	54	5	490 0 0	23 5 8	..	..
55	172	55,778 4 0	1,328 75	2,147 2 7	0 9 4	55	11	2,850 0 0	136 16 4	..	..
56	146	52,600 4 0	1,797 65	1,979 7 8	4 5 0	56	7	1,966 16 0	101 2 0	..	..
57	128	45,580 0 0	1,376 25	1,777 4 6	3 0 0	57	4	550 0 0	31 8 4	..	..
58	110	37,400 0 0	748 25	1,605 16 7	7 5 0	58	5	750 0 0	41 13 0	..	..
59	100	30,157 0 0	803 00	1,311 1 7	1 15 0	59	4	325 0 0	19 5 4	..	..
60	71	30,403 0 0	797 55	1,313 9 6	0 2 4	60	2	225 0 0	12 18 6	..	..
61	46	12,098 0 0	357 65	541 9 6	0 4 0	61	1	100 0 0	6 11 8	..	..
62	47	16,650 0 0	299 70	853 16 5	0 5 10	62	1	100 0 0	6 11 8	..	..
63	36	12,615 0 0	295 90	606 14 3	0 10 0	63	2	200 0 0	13 3 4	..	..
64	35	10,313 16 0	327 95	534 0 1	5 0 0	64	1	500 0 0	43 3 4	..	..
65	28	14,500 0 0	345 55	792 15 10	5 3 10	65	..	..	..	..	..
66	27	12,290 0 0	412 10	605 15 4	..	66	1	100 0 0	8 3 4	..	..
67	17	9,050 0 0	237 85	534 5 9	..	67	..	..	..	..	..
68	11	5,550 0 0	234 35	297 3 0	..	68	..	..	..	..	..
69	5	1,700 0 0	29 10	86 7 9	..	69	..	..	..	..	..
70	4	900 0 0	36 90	52 17 4	..	70	..	..	..	..	..
71	1	500 0 0	32 00	27 18 4	..	71	..	..	..	..	..
Totals	11,187	£3,568,156 8 0	£54,778 10	£98,722 16 7	£247 10 6	..	1,415	£338,468 16 0	£8,680 0 1	£7 17 6	..		

FIFTH SCHEDULE.

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ANSWER TO QUESTIONS 4, 5, AND 6.

GENERAL SECTION.

Table.	Class of Assurance.	Number of Policies.	Sums assured.	Reversionary Bonus.	ANNUAL PREMIUMS.		Total Premiums Received.
					Ordinary.	Extra for Special Risks.	
	WITH PROFITS.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
II.	Limited number of Premiums and Paid up Policies	873	412,298 11 2	15,442 15 0	10,993 11 9	13 7 2	147,841 3 9
III.	Endowment Assurances	7,126	1,809,406 16 0	15,743 17 0	66,664 12 3	141 16 0	382,275 2 9
IV.	Joint Assurances	17	5,000 0 0	..	201 3 2	4 2 6	2,047 15 8
	WITHOUT PROFITS.						
IV.	Temporary Assurances (Joint Lives)	1	2,000 0 0	..	45 0 0	..	135 0 0
XI.	Temporary Assurances	13	4,500 0 0	..	83 16 0	..	95 13 11
V.	Endowments	5	1,300 0 0	..	54 4 7	..	566 5 0
VI.	Endowments	145	15,940 0 0	..	720 12 3	..	4,752 18 7
	Totals	8,180	£2,250,445 7 2	£31,186 12 0	£78,763 0 0	£159 5 8	£537,713 19 8

TEMPERANCE SECTION.

	WITH PROFITS.						
II.	Limited number of Premiums and Paid up Policies	13	4,256 0 0	..	124 1 9	..	275 9 5
III.	Endowment Assurances	1,466	284,356 0 0	..	9,450 3 9	8 6 2	16,782 0 4
	Totals	1,479	£288,612 0 0	..	£9,574 5 6	£8 6 2	£17,057 9 9

FIFTH SCHEDULE.

ANSWER TO QUESTION 7.

TOTAL AMOUNT OF IMMEDIATE ANNUITIES ON LIVES, DISTINGUISHING THE SEX AND THE AMOUNTS FOR EACH YEAR OF LIFE.

Age 31st December, 1885.	Amount of Annuities.	
	Female.	Male.
	£ s. d.	£ s. d.
31-32 .. ..	..	52 0 0
48-49 .. ..	..	30 0 0
50-51 .. ..	..	42 19 4
51-52 .. ..	..	16 0 0
53-54 .. ..	..	12 10 8
54-55 .. ..	..	62 15 6
56-57 .. ..	..	171 19 8
57-58 .. ..	..	47 18 4
58-59 .. ..	..	38 8 4
59-60	198 6 8	..
61-62	3 8 0	557 0 0
62-63	111 14 0	106 0 8
63-64	13 0 0	54 16 9
64-65	27 1 9	..
65-66	17 17 10	46 8 8
66-67 .. ..	..	20 0 0
68-69	221 4 1	..
69-70	72 1 0	52 5 0
70-71 .. ..	..	110 17 8
71-72 .. ..	..	423 3 0
73-74 .. ..	..	36 10 0
74-75 .. ..	..	36 19 6
75-76	100 0 0	..
78-79	140 16 4	100 0 0
79-80 .. ..	..	50 0 0
81-82 .. ..	..	149 7 4
83-84	28 0 0	..
86-87 .. ..	..	80 0 0
Totals	£933 9 8	£2,298 0 5

ANSWER TO QUESTION 8.

THE AMOUNTS OF ALL ANNUITIES OTHER THAN THOSE SPECIFIED UNDER HEADING No. 7.

Table.	Class of Annuity.	Amount of Annuities.	Annual Premiums.	Single Premiums.	Total Premiums received to 31st December, 1885.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.
VIII.	Survivorship	335 0 0	9 3 2	1,137 0 0	1,265 4 4
IX.	Deferred	200 0 0	..	592 1 8	1,296 5 0
X.	Deferred	85 0 0	10 16 0	213 4 2	346 8 2
Special.	Immediate Joint and Survivorship ..	60 0 0	..	645 0 0	645 0 0
	Totals	£680 0 0	£19 19 2	£2,587 5 10	£3,552 17 6

FIFTH SCHEDULE.

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ANSWER TO QUESTION 9.

TABLE

SHOWING THE MINIMUM SURRENDER VALUE OF POLICIES FOR £100.

Age at Entry.	UNDER TABLE I.			UNDER TABLE II ¹⁰ .			UNDER TABLE III ¹⁵ .			UNDER TABLE III ²⁵ .		
	By Equal Annual Premiums for the Whole Term of Life.			For the Whole Term of Life. Premiums limited to 10 Annual Payments.			Endowment Assurances payable on attaining the Age of 55, or at previous Death.			Endowment Assurances payable in 25 Years, or at previous Death.		
	5 Years.	10 Years.	15 Years.	5 Years.	10 Years.	15 Years.	5 Years.	10 Years.	15 Years.	5 Years.	10 Years.	15 Years.
20	£ s. d. 2 13 3	£ s. d. 5 16 0	£ s. d. 9 9 8	£ s. d. 10 18 1	£ s. d. 24 9 10	£ s. d. 27 4 11	£ s. d. 5 9 8	£ s. d. 12 3 11	£ s. d. 20 8 10	£ s. d. 9 13 11	£ s. d. 21 15 0	£ s. d. 36 16 5
25	£ s. d. 3 4 11	£ s. d. 7 1 1	£ s. d. 11 10 7	£ s. d. 12 2 7	£ s. d. 27 5 0	£ s. d. 30 9 8	£ s. d. 7 4 2	£ s. d. 16 1 2	£ s. d. 27 0 3	£ s. d. 9 14 0	£ s. d. 21 14 6	£ s. d. 36 15 1
30	£ s. d. 3 19 5	£ s. d. 8 12 8	£ s. d. 14 2 3	£ s. d. 13 11 8	£ s. d. 30 9 8	£ s. d. 34 5 9	£ s. d. 9 14 7	£ s. d. 21 15 4	£ s. d. 36 15 11	£ s. d. 9 14 7	£ s. d. 21 15 3	£ s. d. 36 15 11
35	£ s. d. 4 18 2	£ s. d. 10 13 6	£ s. d. 17 2 11	£ s. d. 15 4 4	£ s. d. 34 5 9	£ s. d. 38 11 1	£ s. d. 13 14 1	£ s. d. 30 16 3	£ s. d. 52 5 11	£ s. d. 9 17 2	£ s. d. 22 0 2	£ s. d. 36 18 7
40	£ s. d. 6 2 10	£ s. d. 13 0 9	£ s. d. 20 9 1	£ s. d. 17 3 7	£ s. d. 38 11 1	£ s. d. 43 2 11	£ s. d. 20 13 0	£ s. d. 46 11 6	£ s. d. 100 0 0	£ s. d. 10 3 9	£ s. d. 22 7 9	£ s. d. 37 1 2
45	£ s. d. 7 9 4	£ s. d. 15 10 1	£ s. d. 23 18 5	£ s. d. 19 4 10	£ s. d. 43 2 11	£ s. d. 47 19 1	£ s. d. 34 18 10	£ s. d. 100 0 0	£ s. d. ..	£ s. d. 10 11 1	£ s. d. 22 15 4	£ s. d. 37 3 0
50	£ s. d. 8 17 3	£ s. d. 18 2 11	£ s. d. 27 10 6	£ s. d. 21 5 5	£ s. d. 47 19 1	£ s. d. 52 16 3	£ s. d. 100 0 0	£ s. d. ..	£ s. d. ..	£ s. d. ..	£ s. d. ..	£ s. d. ..
55	£ s. d. 10 8 10	£ s. d. 20 16 9	£ s. d. 31 2 7	£ s. d. 23 4 1	£ s. d. 52 16 4	£ s. d. 57 9 9	£ s. d. ..	£ s. d. ..	£ s. d. ..	£ s. d. ..	£ s. d. ..	£ s. d. ..

NOTE.—In the case of Children's Endowments (premiums returnable) half the premiums paid are returned as Surrender Value after one year, and ninety per cent. after two years. Endowments without return of premiums are treated specially. Lives which have been charged "extra premium" for any cause are taken at true age in calculating Surrender Values.

ANSWER TO QUESTION

PART I.—STATEMENT of POLICIES ISSUED and DISCONTINUED

	ASSURANCE.							
	General.				Temperance.			
	No.	Sum assured.	Annual Premium.	Annual Extra Risk.	No.	Sum assured.	Annual Premium.	Annual Extra Risk.
		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.
Total Policies in force on 30th June, 1880	11,502	4,156,419 2 2	130,399 8 1	909 2 8	..	..	..	..
Add Policies issued during the period	14,908	3,804,275 4 0	116,688 5 5	341 1 11	3,424	738,277 16 0	21,366 2 1	25 13 8
Total	26,410	7,960,694 6 2	247,087 13 6	1250 4 7	3,424	738,277 16 0	21,366 2 1	25 13 8
Deduct Policies discontinued during the period	7,193	2,159,332 11 0	70,376 13 9	843 8 5	530	111,197 0 0	3,111 16 6	9 10 0
Total Policies in force on 31st December, 1885 ..	19,217	5,801,361 15 2	176,710 19 9	406 16 2	2,894	627,080 16 0	18,254 5 7	16 3 8

PART II.—PARTICULARS of POLICIES DISCONTINUED

How discontinued.									
By Death	593	204,988 0 0	7,143 13 7	843 8 5	23	4,325 0 0	144 8 1	9 10 0	
Maturity	17	2,700 0 0	230 17 5		..	..	..
Surrender	1,153	419,796 11 0	14,434 17 3		30	8,725 0 0	234 11 2		
Lapse	5,397	1,467,622 18 4	43,352 14 0		473	93,347 0 0	2,607 18 0		
Change .. ..	..	41,878 0 0	1,364 4 0		..	2,450 0 0	65 6 2		
Other Causes	33	22,347 1 8	3,850 7 6		4	2,350 0 0	59 13 1		
Total void	7,193	2,159,332 11 0	70,376 13 9	843 8 5	530	111,197 0 0	3,111 16 6	9 10 0	

PART III.—PROGRESS of BUSINESS of the GOVERNMENT INSURANCE

	General Section.				
	No. of Policies.	Sum assured.	Annual Premiums.	Annual Extra Risk.	Annuity.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total issued	31,080	9,072,116 17 1	283,997 4 1	1,504 16 1	4,808 17 1
Total discontinued	10,756	3,232,921 4 9	105,373 7 4	1,097 19 11	897 7 0
Total in force	20,324	5,839,195 12 4	178,623 16 9	406 16 2	3,911 10 1

10, FIFTH SCHEDULE.

during the Period 30th June, 1880, to 31st December, 1885.

ENDOWMENTS AND INVESTMENTS.			ANNUITIES.			TOTAL.				
General.			General.			General and Temperance.				
No.	Sum assured.	Annual Premium.	No.	Annual Premium.	Annuity.	No.	Sum assured.	Annual Premium.	Annual Extra Risk.	Annuity.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
118	15,085 0 0	757 18 10	36	90 7 6	2,693 18 2	11,656	4,171,504 2 2	131,247 14 5	909 2 8	2,693 18 2
1,297	41,687 10 11	2,093 8 1	32	..	1,361 11 11	19,661	4,584,240 10 11	140,147 15 7	366 15 7	1,361 11 11
1,415	56,772 10 11	2,851 6 11	68	90 7 6	4,055 10 1	31,317	8,755,744 13 1	271,395 10 0	1,275 18 3	4,055 10 1
371	18,938 13 9	958 9 1	57	0 8 4	144 0 0	8,099	2,289,468 4 9	74,517 7 8	852 18 5	144 0 0
1,044	37,833 17 2	1,892 17 10	63	19 19 2	3,911 10 1	23,218	6,466,276 8 4	196,878 2 4	422 19 10	3,911 10 1

during the Period 30th June, 1880, to 31st December, 1885.

..	..	..	5	..	144 0 0	621	209,313 0 0	7,288 1 8	852 18 5	144 0 0
27	2,955 0 0	199 11 4	..	..	..	44	5,655 0 0	430 8 9		..
23	1,961 16 7	91 11 3	..	..	..	1,266	430,483 7 7	14,760 19 8		..
293	10,239 3 10	499 2 0	..	..	..	6,163	1,571,209 2 2	46,459 14 0		..
..	..	..	..	..	..	..	44,328 0 0	1,429 10 2		..
28	3,782 13 4	168 4 6	..	70 8 4	..	65	28,479 15 0	4,148 13 5		..
371	18,938 13 9	958 9 1	57	0 8 4	144 0 0	8,099	2,289,468 4 9	74,517 7 8	852 18 5	144 0 0

DEPARTMENT since Date of Establishment to 31st December, 1885.

Temperance Section.				TOTAL.					
No. of Policies.	Sum assured.	Annual Premiums.	Annual Extra Risk.	No. of Policies.	Sum assured.	Annual Premiums.	Annual Extra Risk.	Annuity.	
	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
3,424	738,277 16 0	21,366 2 1	25 13 8	34,504	9,810,394 13 1	305,363 6 2	1,530 9 9	4,808 17 1	
530	111,197 0 0	3,111 16 6	9 10 0	11,286	3,344,118 4 9	108,485 3 10	1,107 9 11	897 7 0	
2,894	627,080 16 0	18,254 5 7	16 3 8	23,218	6,466,276 8 4	196,878 2 4	422 19 10	3,911 10 1	

