Sess. II.—1891. NEW ZEALAND.

ANNUAL REPORT

OF THE

INSURANCE COMMISSIONER GOVERNMENT

FOR THE YEAR ENDED 31st DECEMBER, 1890.

Presented to both Houses of the General Assembly pursuant to the provisions of the Acts relating to Government Life Insurance.

Government Insurance Office,

Wellington, 24th June, 1891.
In conformity with statutory provisions the annual accounts of the Government Life Insurance Department for the year ended 31st December, 1890, have been prepared and certified in due form, and are now respectfully submitted. Accompanying the accounts is a statement showing the details of the policies issued and discontinued during the year, and the progress of the business of the department since its establishment to 31st December, 1890.

New Business.—During the year there were received 3,840 proposals for insurance and endowment, for a total amount of £988,534, of which 2,744 were accepted and completed, assuring £684,242. The proposals deferred or declined were 412 in number, for a total amount of £98,425, being nearly 11 per cent. of the total number of proposals received. In the remainder of the proposals the applicants failed to complete the contracts. Of every 100 proposals received, 71 were accepted at ordinary rates, 18 were accepted with extra premium, and 11 were deferred or declined. Of every 100 policies completed 86 were at ordinary rates, and 14 with extra premium or the equivalent contingent debt. The policies issued in the General Section were 2,344, assuring £594,870; and in the Temperance Section 400, assuring £89,372; making together the total sum above stated namely $\frac{684}{684}$ and Seventeen approximately policies were together the total sum above stated—namely, £684,242. Seventeen annuity policies were granted, securing to the annuitants periodical payments amounting to a total of £890 6s. 3d. per annum; for these the purchase-money was £7,071 3s. 11d. The new premiums received amounted to £21,325 3s. 8d., of which £1,393 8s. 6d. represented single payments. Of the total

policies in the two sections, there are 5,413 tontine policies for £1,496,861.

Interest amounted to £89,795 18s. 2d., being £8,409 12s. 9d. in excess of the sum received in 1889. The average rate of interest was £5 8s. 11d., as against £5 7s. 3d. for the immediatelypreceding year. It may here be stated that for four successive years the rate of interest realised has shown a continuous increase, being now 9s. 2d. (nearly $\frac{1}{2}$ per cent.) more than was earned in 1886. This increase, computed on the basis of the present funds, represents an additional

revenue of £8,000 per annum.

The Total Revenue was £313,425 10s. 3d., being an increase of £14,716 3s. 4d. on the sum

received in the previous year.

Death Claims under Assurance Policies, including bonuses allotted and interim bonuses, after deduction of contingent debts, amounted to £59,776 7s., being a decrease of £12,336 10s. as compared with the death claims of the previous year.

Endowment Assurances and Endowments matured, including bonuses, amounted to £10,833 16s. 3d.

Expenses of Management, including commission (£11,103 7s. 5d.), and property-tax (£6,484 17s. 3d.) show a reduction on the year of £4,129 3s. 8d., which is equivalent to a lessening of

the rate by $2\frac{1}{2}$ per cent. on the premium income.

Accumulated Funds.—In consideration of the approaching division of profits it has been deemed prudent to set aside a reserve to meet possible fluctuations in the values of the department's investments made by the Board of the late Association. A special fund of £25,000 has therefore been constituted for this purpose, independent of which the total funds of the department amounted at the end of the year to £1,715,193 5s. 9d.

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The increase in the funds for the twelve months was £157,745 7s. 10d., of which £132,745 7s. 10d. was carried to the Assurance Fund, and £25,000 to the special reserve already referred

This increase exceeds the highest previous annual increment by over £16,000.

Viewing the circumstances of the year, and the temporary derangement of ordinary commercial affairs and general employment caused by the labour strike—an event which seriously retarded the progress of life insurance throughout the colony—the results shown by the figures above narrated are considered as being very satisfactory as regards the business of the department. During the 1890 session of Parliament a short Act was passed securing equity between general and temperance policyholders in the matter of bonuses and also providing for triennial distribution of profits in future.

The Fourth Quinquennial Investigation is now being made in London by the Consulting Actuaries, to whom all the valuation data were despatched on the 4th March last, and, to quote the words of the Hon. the Colonial Treasurer in his Financial Statement, "the policyholders "may expect to be in possession at no distant date of the most gratifying and convincing assur-"ance of the vitality of the institution."

Josephus H. Richardson, Government Insurance Commissioner. REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended 31st December, 1890.

Amount of Flunda of Stat December 1990	£		d.	Death claims under policies,	£	s.	d.	£	s.	d.
Amount of Funds at 31st December, 1889 Renewal premiums — Assurance, Annuity, and Endowment	1,562,447			Assurance, including bonus additions				59,776	7	0
New premiums on 2,761 policies, assuring £684,242, and yielding an annual	,	Ĭ		Endowment Assurances ma- tured, including bonus ad-				30,,,,	·	Ť
revenue of £20,489 1s. 1d. (including instalments of first year's premium	10 001	1 ~	0	ditions Endowments matured	• •			$9,256 \\ 1,577$		3
falling due in the year) Single premiums—Assurance and En-	19,931			dowments				70		6
dowment	1,393 7,071		$\frac{6}{11}$		• • • • • • • • • • • • • • • • • • • •			$627 \\ 4,775$		$\frac{9}{10}$
Interest	89,795	18	2	Surrenders				10,006	3	0
Fees	19	15	5	Loans released by surrender Commission, new	9,680			17,654	19.	11
				" renewal	1,422	17 1		11 100	17	-
				Property-tax Losses on properties fore-	••		-	11,103 6,484	7 17	3
				closed				327	2	9
				Expenses of management— Salaries—Head Office Branch Offices	10,811	13	1			
				and Agents						
				Extra clerical assistance Medical fees	1,513 $3,901$	0 I 5				
				Travelling-expenses	3,202	7	1			
				Advertising Printing and stationery	1,142 $1,380$	3 10 1				
				Rent	1,062					
				Postage	2,005		2			-
				Telegrams Exchange	662 233		1 7			
				Office-furniture deprecia-						
				tion	419 1,678	4 1 17				
				Quinquennial expenses	764		0			_
				Reserve for possible depreci	ation in	free		34,020	17	9
				hold and mortgage securiti	es			25,000		0
				Amount of funds at 31st Dece	mber, 18	90	1,7	15,193	5	9
	£1 ,895,873	8	2			£	1,8	95,873	8	2
•			-				-			

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT on 31st December, 1890.

Liabilities.	£	s.	d.	Assets.	£		d.
Total Assurance, Annuity, and Endow-				Loans on policies	. 266,497	16	11
ment Funds (as per Revenue Account)	1,715,193	5	9	Government securities	735,100	0	0
Claims admitted, proofs not yet com-				Railway debentures (guaranteed by Go-	•		
pleted	11,135	10	2	vernment)	. 79,850	0	0
Annuities	37		0	Municipal Corporation debentures .	OF FRO	0	0
Commission	1,014		7		1,000		Ò
Mr. Atan Arag	735				15,000		ŏ
Theresis and the second	1,112		10		10,000		-
Walnutian for demonite	9	9	ő		005		ŏ
Mantenana na manana in arrantana	58		-		00 150		11
Mantin a Carringa Thund	1,063						10
		10	-		357,606		
Reserve for possible depreciation in free-	25,000	0	0	Properties acquired by foreclosure	23,490		5
hold and mortgage securities	20,000	U	U	Overdue premiums on poli-	20,490	1	9
					7		
					7		
				Outstanding premiums due	-		
				in December, 1890 22,306 3	7		_
					- 28,851	15	2
				Interest outstanding 1,693 5	L		
				Interest accrued but not due 19,544 18			
					- 21,238	3	4
				Agents' balances	2,533	9	3
				Sundry accounts owing	. 1,057	17	2
				Cash on current account	. 26,808	3	4
•	£1,755,358	4	6	£	1,755,358	4	6
7				l		THE PERSON NAMED IN	-

Government Insurance Office, 16th March, 1891.

JOSEPHUS H. RICHARDSON, Commissioner. W. B. HUDSON,

W. B. HUDSON, Secretary.

Audited and found correct.

JAMES EDWARD FITZGERALD,

Controller and Auditor-General.

STATEMENT OF BUSINESS AT END OF 1890. POLICIES ISSUED AND DISCONTINUED DURING 1890.

						ASS	ASSURANCES.	CES.					i	lis .	SIMPLE	;			(Tomar			
YEAR	M	Whole Life and Term Assurances.	fe and	Term	Assura	mces.		I	<i>Чидоши</i>	rent A	Endowment Assurances.	٠	 	ENDOWMENIS, IN- VESTMENTS, &c.	MEN IS	% IN-	•	ANNOI I IES.	n N							:	
; 1890.	Q N	Sum	Rever-		Annual Premium.	mium.	2	Sum		Rever-	Annual Premium,	remium.	½	mng N		Annual	Z	Annual	Annuity.	N.		Sum Sionary	ever-	Annual	Annual Premium.		Annnite.
	5	Assured.	Bonus.		Ordinary.	Extra.			- 1		Ordinary.	Extra.		Assur		mium.	-	remuum				red. B.	onus.	Ordinary.	Extra.	 	
Policies in force) 4.6,8625,063,825203,245131,568	16,862	£ 5,063,825	£ 203, 245	£ 131,568		s. d. £ s. 6 9 74,075 3	i O	£ 00 2, 234	t, 062 71	£,162 8	9,700 2,234,062 71,162 80,879 19	d. £ s. 1 815 2	ص ن	£ 556 28,242	£ 242 1,250	s. d.	100	£ s.d. 19 19 2	£ £ 5	s. d. 4 5 27,	£	,12927	£ 4,407 21	£ s. 3,718 19	s. d. £ s. d. £ s. d. £ s. d. £ s. d. £ s. d. E	. d. g s.	s. d. 45 14 5
New Business, 1890	1,539	444,042	:	11,237	1 6 1	294 8 0	0 1,132		237,344	•	8,684 16	1 156 11	- 22	73 2,8	2,856 11	115 16. 0	11	:	830	890 6 3 2,761	761 684	684,242	:	20,038 1	8 450 I9	ν,	890 6 3
Total	18,401	18,4015,507,867 203,245 142,805 19 24,36911 0 10,832 2,471,406 71,162 89,564 15	203,248	5142,80	5 19 2	4,36911	0 10,8	32 2,471	1,406 71	,162 8	1	2 971 13	1 00	329 31,(98 1,36	6 7 11	1117	19 19 2	6,036	0 8 29,9	629 31,098 1,866 7 11 117 19 19 26,036 0 8 29,979 8,010,371 274,407 233,757	,371 27	4,407 23	3,757 I	55,341	86,036	36 0 8
Policies discontinued during	1,229	336,330	7,462		8,943 2 11	277 6 6		540 125	125,575 3	3,183	4,719 16	9 72 18	18 11	93 4,4	4,436 227	27 6 5	15	9 9		6 4 1,8	377 466),341 I	0,645 1	367 6 4 1,877 466,341 10,645 13,899 9 3	3 350 5	7.7	367 6 4
Total Policies) in force at 31st Dec., 1890	17,172	17,1725,171,537195,783 133,862 16 3 4,032 4 6 10,292 2,345,831 67,979 84,844 18	195,788	3 133,862	2 16 3	4,002 4	6 10,2	92,34	5,831 67	8 616,1		5 898 14	6	386 26,0	3621,18	39 1 (3 102	10 16 0	5,668 1	4 4 28,	102 7,544	1,030 26	33,762 2	19,857 12	536 26,6621,139 1 6 102 10 16 05,668 14 4 28,102 7,544,030 263,762 219,857 12 2 4,990 19 3 5,668 14	3 5,6	168 14 4

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		332 6	:	:	:	35 0	:	:	:	9 298
		2 10	0 2	4 7		2		0 10	0 9	5
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		8	4	2		12 1	12 4	15 3	14 5	00
		1,852 8					14 12		100	466,341 10,645 13,899 9
		2,699	683	1,476	1,479	4,277	:	:	31	10,645
		55,185	9,931	71,231	:	328,794	1,200	:	:	466,341
		197	64	314	•	1,300	67	:	:	367 6 4 1,877
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		332			_	CJ1		•	•	1
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ED DU			7 96 12				•	•	0	227
NTINO			1,577		•	634	:	:	:	4,436
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POL		6	4	<u>-</u>		<u>6</u>			4	6
DETAILS OF POLICIES DISCONTINUED DURING 1890.		0 999			:	2,600 16	:	:	20 7	4,719 16 9
DEL		621	683	559	212	1,108	:	:	:	3,183
		16,250	8,354	24,625	:	76,349	:	:	:	125,575
		41	31	110	:	358	:	:	:	540
		6 0 07				2 10		13 0 10	0 2	9 9
				6 43 15		4 154 210				8,943 2 11 277 6 6
		1,186 7 3			•	άο	12	15	T (2 1
				1,108 18			14 12 4			8,948
		2,078							31	7,469
		38,935		44,384			1,200	:	:	336,330 7,462
		142	:	153	:	932	ο 1	:	:	1,229
	How Discontinued.	By Death	Maturity	Surrender	Surr. Bonus	Lapse	Expy. Policy	Expy. Prem.	Miscellaneous	1

PROGRESS OF BUSINESS SINCE ESTABLISHMENT TO END OF 1899.

Norm.—The Ordinary Premium is the premium at the real age; the extra, the additional premium imposed for any reason whatsoever.

JOSEPHUS H. RICHARDSON, Commissioner.

Morris Fox, Actuary.

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 $Price\ 3d.$

Wellington, 28th February, 1891.