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NEW ZEALAND.

ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER

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, £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 immediately-preceding 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.

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 to. 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 assurance of the vitality of the institution.”

JOSEPHUS H. RICHARDSON,
Government Insurance Commissioner.
