

1899.  
NEW ZEALAND.

# ANNUAL REPORT

OF THE

## GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1898.

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

Government Insurance Office,  
Wellington, 6th June, 1899.

I HAVE the honour to submit my report upon the working of the Government Insurance Department for the year 1898, together with the customary accounts and statement of progress.

*New Business.*—During the past year 4,461 proposals, for the insurance of £980,804, were dealt with, of which number 3,361 were completed and became policies, insuring £713,489, and the annual premiums thereon amounted to £23,314, in addition to single premiums for £954. Twenty-four immediate annuities were also granted, for which the purchase-money was £8,317, and one deferred annuity.

*Discontinued Business.*—A great improvement has again been shown in the number and amount of policies which have been lapsed and surrendered, as will be readily seen from the following table :—

Year.	Lapsed Policies.		Surrendered Policies.	
	No.	Sum assured.	No.	Sum assured.
1897 ... ..	898	£ 199,204	376	£ 93,108
1898 ... ..	815	177,491	355	84,947
Decrease ... ..	83	£ 21,713	21	£ 8,161

Further improvement in this direction cannot, of course, be expected every year, but the keenest efforts are continually made to prevent policies being given up in this manner, and the experience of the Department compares favourably with that of the other Australasian life insurance offices.

*Net Increase.*—In consequence of the substantial increase in the new business and the decrease in the discontinued business, the net addition to the sum assured for the year amounted to £302,140, which is larger than for many years past.

*Business in Force.*—There are now 37,848 policies in existence, insuring £9,304,741 (and £819,486 bonuses) at death or maturity, and annuities—immediate and deferred—for £20,906 per annum, the total annual premiums being £275,965.

*Progress of Business.*—A fully detailed statement of the progress of the business of the Department for the year is, as usual, appended to this report.

*Income and Outgo.*—The income of the Department amounted to £410,148 during the year and was derived from the following sources :—

New premiums (including single premiums)	...	...	...	£ 23,006
Renewal premiums	...	...	...	247,625
Consideration for annuities	...	...	...	8,317
Interest	...	...	...	131,188
Fees	...	...	...	12
Total income for 1898	...	...	...	£ 410,148

The premium income is quite satisfactory, the renewal premiums having increased by £7,390, and the new premiums by £2,406. The interest earned has increased by £2,764, and, although the average rate has slightly declined—to £4 13s. 11d. per cent.—this has been the general experience of financial institutions during recent years, and the Department is making full provision to meet the situation by assuming the low rate of  $3\frac{1}{2}$  per cent. in the triennial valuation now proceeding.

The outgo for claims by death and maturity was somewhat higher than in the previous year, but was fully provided for, as the maturing claims were practically known in advance, and the claims by death were well within the expectation.

The expenses were less than in 1897, although a much greater amount of business was done, and the ratio of expenses (including the land- and income-tax) to total income fell from 14·86 per cent. to 14·34 per cent.

*Accumulated Funds.*—The funds now stand at £2,861,534, representing an increase of £136,429 during the year. There seems good reason to anticipate that the close of the present year will show an accumulated fund of three millions sterling.

The following table will show the growth of the funds since the foundation of the Department in 1870:—

Date.	Accumulated Funds.
30th June, 1870 ... ..	£ Nil
30th June, 1880 ... ..	459,336
31st December, 1890 ... ..	1,715,193
31st December, 1898 ... ..	2,861,534

*The Balance-sheet.*—On the 31st December, 1898, the total assets amounted to £2,924,364, and were invested as shown in the following comparative statement:—

At 31st December, 1897.		Class of Investment.	At 31st December, 1898.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£ 983,452	35·2 per cent.	Mortgages on freehold property ...	£ 1,130,609	38·7 per cent.
827,829	29·7 "	Government securities ... ..	827,858	28·3 "
499,531	17·9 "	Loans on policies ... ..	541,474	18·5 "
151,678	5·5 "	Local bodies' debentures ... ..	150,829	5·2 "
145,264	5·2 "	Landed and house property, and properties acquired by foreclosure	140,708	4·8 "
77,454	2·8 "	Miscellaneous assets ... ..	85,151	2·9 "
103,462	3·7 "	Cash on current account ... ..	47,735	1·6 "
£2,788,670	100·0 "	Total ... ..	£2,924,364	100·0 "

The chief features of interest in the balance-sheet are: (1) A decrease of £55,727 in cash in hand and on current account; (2) an increase of £41,943 in loans on policies; and (3) an increase of £147,157 in mortgages on freehold property.

Although not appertaining to a review of last year's transactions I cannot close this report without a passing reference to the untoward accident which it now seems impossible to doubt has overtaken the Union Steam Ship Company's s.s. "Ohau." It will be remembered that on the occasion of the disaster in the Brunner mine the lives of no less than eighteen of the victims were insured in this Department. Similarly in the case of the missing steamer six of the ship's company have policies in this office, some taken out under special arrangements with the Union Company and some on the policy-holders' own initiative. So completely do the ramifications of the Department's business permeate all New Zealand interests that it is safe to assert that scarcely any event can happen adversely or beneficially affecting any section of the community without its reflex being almost immediately felt in the Department's individual experience. On occasions such as the disaster to the "Ohau" it is some consolation to know that, while the loss to the Department is relatively a trivial matter and one which it is its special function to meet, the insurance moneys will to some extent mitigate the privations of those who have been so suddenly and painfully bereaved.

J. H. RICHARDSON,  
Government Insurance Commissioner.

**REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended  
31st December, 1898.**

	£	s.	d.		£	s.	d.
Amount of funds at 1st January, 1898	2,725,105	18	3	Death claims under policies, Assurance, including bonus additions ..	109,090	6	2
Renewal premiums—Assurance, Annuity, and Endowment .. ..	247,625	6	6	Endowment Assurances matured, including bonus additions ..	60,806	4	0
New premiums (including instalments of first year's premiums falling due in the year) .. ..	22,052	3	4	Endowments matured ..	1,317	4	10
Single premiums—Assurance and Endowment .. ..	953	12	2	Premiums returned on endowments ..	52	6	0
Consideration for Annuities .. ..	8,317	4	4	Bonuses surrendered for cash ..	3,014	13	5
Interest .. ..	131,187	19	2	Annuities .. ..	10,978	2	6
Fees .. ..	11	4	2	Surrenders .. ..	20,255	13	3
				Loans released by surrender ..	4,730	7	9
				Commission, new .. £13,079	1	2	
				"    renewal ..	1,894	11	11
					14,973	13	1
				Land- and income-tax .. ..	8,750	2	0
				Expenses of management—			
				Salaries—			
				Head Office .. £11,249	7	9	
				Branch offices and agents .. ..	6,267	15	9
				Extra clerical assistance ..	1,470	15	3
				Medical fees and expenses .. ..	5,077	10	6
				Travelling-expenses .. ..	880	4	8
				Advertising .. ..	834	18	5
				Printing and stationery ..	1,195	17	9
				Rent .. ..	2,318	16	5
				Postage .. ..	1,548	8	3
				Telegrams .. ..	550	10	9
				Exchange .. ..	63	11	10
				Office furniture depreciation .. ..	339	11	5
				General expenses .. ..	2,472	14	4
				Triennial expenses .. ..	830	14	0
					35,100	17	1
				Reserve for possible depreciation in freehold and mortgage securities ..	4,650	0	0
				Amount of funds, 31st December, 1898	2,861,534	9	10
<b>£3,135,253</b>	<b>19</b>	<b>11</b>		<b>£3,135,253</b>	<b>19</b>	<b>11</b>	

**BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT on 31st December, 1898.**

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account) .. ..	2,861,534	9	10	Loans on policies .. ..	541,473	16	8
Claims admitted, proofs not yet completed .. ..	15,149	1	1	Government securities—			
Annuities .. ..	148	6	11	Consolidated stock ..	625,900	0	0
Commission .. ..	614	1	2	Treasury bills .. ..	140,000	0	0
Medical fees .. ..	549	11	5	Railway debentures (guaranteed by Government) ..	44,981	5	0
Premium and other deposits ..	3,474	0	0	Debentures issued under "The Native Land Purchases Act, 1892" ..	15,000	0	0
Fire-insurance moneys in suspense ..	50	0	0	Debentures issued under "The Immigration and Public Works Act, 1870" ..	1,976	9	7
Tontine Savings Funds .. ..	15,159	2	8		827,857	14	7
Reserve for possible depreciation in freehold and mortgage securities ..	27,684	18	9	Municipal Corporation debentures ..	106,780	17	10
				County securities .. ..	1,000	0	0
				Harbour Board debentures .. ..	42,548	11	6
				Town Board debentures .. ..	500	0	0
				Landed and house property ..	120,937	15	7
				Office furniture (Head Office and agencies) .. ..	3,057	3	11
				Mortgages on property .. ..	1,130,608	10	1
				Properties acquired by foreclosure ..	19,769	16	8
				Overdue premiums on policies in force ..	6,014	10	8
				Outstanding premiums due but not overdue ..	31,620	4	7
					37,634	15	3
				Overdue interest .. ..	1,360	4	4
				Outstanding interest due but not overdue ..	4,070	13	4
				Interest accrued but not due .. ..	35,600	11	7
					41,031	9	3
				Agents' balances .. ..	2,382	17	4
				Sundry accounts owing .. ..	1,045	1	5
				Cash in hand and on current account ..	47,735	1	9
<b>£2,924,363</b>	<b>11</b>	<b>10</b>		<b>£2,924,363</b>	<b>11</b>	<b>10</b>	

Government Life Insurance Department, 14th February, 1899.

J. H. RICHARDSON,  
Commissioner  
W. B. HUDSON,  
Secretary.

Audited and found correct.  
J. K. WARBURTON,  
Controller and Auditor-General.

## Statement of Business

YEAR: 1898.	TOTAL.					ASSURANCES.			
	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premium.		Whole-life and Term Assurances.			
				1. Ordinary. 2. Extra.	Annuities. 1. Immediate. 2. Deferred.	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premium. 1. Ordinary. 2. Extra.

## POLICIES ISSUED AND DISCON-

	No.	£	£	£ s. d.	£ s. d.	No.	£	£	£ s. d.
Policies in force, 31st December, 1897	36,174	9,002,601	854,409	{ 262,246 15 5 4,030 5 11 }	{ 10,960 9 11 8,525 15 4 }	18,266	5,337,134	604,458	{ 132,460 11 5 3,290 7 9 }
New business, 1898 .. ..	3,386	713,489	..	{ 23,137 10 6 176 17 0 }	{ 817 10 2 1,785 3 5 }	836	218,976	-45	{ 6,006 15 1 93 0 4 }
Total .. ..	39,560	9,716,090	854,409	{ 285,384 5 11 4,207 2 11 }	{ 11,778 0 1 10,310 18 9 }	19,102	5,556,110	604,413	{ 138,467 6 6 3,383 8 1 }
Policies discontinued during 1898 ..	1,712	411,349	34,923	{ 13,661 2 10 229 7 9 }	{ 790 15 8 392 7 6 }	750	208,488	20,043	{ 5,990 5 11 158 3 6 }
Total Policies in force at 31st Decem- ber, 1898	37,848	9,304,741	819,486	{ 271,723 3 1 3,977 15 2 }	{ 10,987 4 5 9,918 11 3 }	18,352	5,347,622	584,370	{ 132,477 0 7 3,225 4 7 }

## PARTICULARS OF POLICIES DISCON-

How Discontinued.	No.	£	£	£ s. d.	£ s. d.	No.	£	£	£ s. d.
By Death .. ..	338	97,001	11,363	{ 3,061 3 4 87 12 4 }	{ 790 15 8 .. .. }	225	76,351	9,696	{ 2,267 15 6 79 11 4 }
Maturity .. ..	204	51,910	9,397	{ 2,342 4 0 20 4 3 }	{ .. .. .. .. }	..	..	..	{ .. .. .. .. }
Surrender .. ..	355	84,947	4,949	{ 2,729 2 0 42 1 3 }	{ .. .. 336 3 8 }	159	43,896	3,334	{ 1,142 6 3 28 6 5 }
Surrender of Bonus .. ..	..	..	5,536	{ .. .. .. .. }	{ .. .. .. .. }	..	..	4,091	{ .. .. .. .. }
Lapse .. ..	815	177,491	3,678	{ 5,067 8 10 57 8 4 }	{ .. .. 56 3 10 }	366	88,241	2,922	{ 2,140 9 3 36 15 8 }
Expiry of Policy .. ..	..	..	..	{ .. .. .. .. }	{ .. .. .. .. }	..	..	..	{ .. .. .. .. }
Expiry of Premium .. ..	..	..	..	{ 416 19 7 1 14 6 }	{ .. .. .. .. }	..	..	..	{ 406 3 7 1 14 6 }
Miscellaneous .. ..	..	..	..	{ 44 5 1 20 7 1 }	{ .. .. .. .. }	..	..	..	{ 33 11 4 11 15 7 }
	1,712	411,349	34,923	{ 13,661 2 10 229 7 9 }	{ 790 15 8 392 7 6 }	750	208,488	20,043	{ 5,990 5 11 158 3 6 }

## PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE

Total issued .. ..	74,510	18,950,268	1,375,589	{ 572,666 11 11 13,308 16 11 }	{ 27,095 0 10 6,189 5 2 }	38,705	11,470,101	973,259	{ 302,337 16 6 10,555 2 4 }
Total void .. ..	36,662	9,645,527	556,103	{ 300,943 8 10 9,331 1 9 }	{ .. .. .. .. }	20,353	6,122,479	388,889	{ 169,860 15 11 7,329 17 9 }
Total in force .. ..	37,848	9,304,741	819,486	{ 271,723 3 1 3,977 15 2 }	{ 10,987 4 5 9,918 11 3 }	18,352	5,347,622	584,370	{ 132,477 0 7 3,225 4 7 }
Extra Premiums .. ..	..	..	..	{ 3,977 15 2 263 15 6 }	{ .. .. .. .. }	NOTE.—The Ordinary Premium is the premium charged			
Reduction of Premium by Bonus, &c. ..	..	..	..	{ .. .. .. .. }	{ .. .. .. .. }				

Wellington, 1st March, 1899.

# at end of Year 1898.

ASSURANCES.							ANNUITIES.			SIMPLE ENDOWMENTS, INVESTMENTS, &c.			
<i>Endowment Assurances.</i>				<i>Annuity Assurances.</i>									
No.	Sum Assured.	Rever- sionary Bonus.	Annual Premium. 1. Ordinary. 2. Extra.	No.	1. Sum As- sured. 2. Rever- sionary Bonus.	Deferred Annuities.	Annual Premium.	No.	Annual Premium.	Annuities. 1. Immediate. 2. Deferred.	No.	Sum As- sured.	Annual Premium.

## TINUED DURING THE YEAR 1898.

17,110	£ 3,609,088	£ 249,641	{ 127,175 6 7 } 739 18 2	171	{ 22,450 } 310	£ 7,974 18 4	£ 1,194 2 10	{ 243 } 10	£ 83 16 2	{ 10,960 9 11 } 550 17 0	374	£ 33,929	£ 1,332 18 5
2,430	482,963	45	{ 16,641 3 9 } 83 16 8	36	4,650	1,815 3 5	242 4 0	{ 25 } ..	6 0 6	{ 817 10 2 } -30 0 0	59	6,895	241 7 2
19,540	4,092,056	249,666	{ 143,816 10 4 } 823 14 10	207	{ 27,100 } 310	9,790 1 9	1,436 6 10	{ 268 } 10	89 16 8	{ 11,778 0 1 } 520 17 0	433	40,824	1,574 5 7
902	198,873	14,868	{ 7,475 19 8 } 71 4 3	8	{ 1,300 } 12	392 7 6	68 2 6	{ 12 } ..	10 16 0	{ 790 15 8 } ..	40	2,688	115 18 9
18,638	3,893,183	234,818	{ 136,340 10 8 } 752 10 7	199	{ 25,800 } 298	9,397 14 3	1,368 4 4	{ 256 } 10	79 0 8	{ 10,987 4 5 } 520 17 0	393	38,136	1,458 6 10

## TINUED DURING THE YEAR 1898.

101	20,650	1,667	{ 793 7 10 } 8 1 0	..	..	..	..	12	..	{ 790 15 8 } ..	..	..	..
175	50,593	9,397	{ 2,289 7 3 } 20 4 3	..	..	..	..	..	..	..	29	1,317	52 16 9
178	38,480	1,603	{ 1,461 3 3 } 13 14 10	7	{ 1,200 } 12	336 3 8	62 10 6	..	..	..	11	1,371	63 2 0
..	..	1,445	..	..	..	..	..	..	..	..	..	..	..
448	89,150	756	{ 2,921 11 7 } 20 12 8	1	100	56 3 10	5 8 0	..	..	..	..	..	..
..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	..	..	..	..	..	..	10 16 0	..	..	..	..
..	..	..	{ 10 9 9 } 8 11 6	..	..	..	0 4 0	..	..	..	..	..	..
902	198,873	14,868	{ 7,475 19 8 } 71 4 3	8	{ 1,300 } 12	392 7 6	68 2 6	12	10 16 0	{ 790 15 8 } ..	40	2,688	115 18 9

## DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1898.

33,223	7,339,003	402,005	{ 263,360 11 11 } 2,753 14 7	213	{ 23,000 } 325	10,074 5 2	1,486 2 0	379	203 11 11	17,020 15 8	1,990	113,164	5,278 9 7
14,585	3,445,820	167,187	{ 127,020 1 3 } 2,001 4 0	14	{ 2,200 } 27	676 10 11	117 17 8	113	124 11 3	5,512 14 3	1,597	75,028	3,820 2 9
18,638	3,893,183	234,818	{ 136,340 10 8 } 752 10 7	199	{ 25,800 } 298	9,397 14 3	1,368 4 4	{ 256 } 10	79 0 8	{ 10,987 4 5 } 520 17 0	393	38,136	1,458 6 10

at the true age; the Extra, the additional premium imposed for any reason whatsoever.

J. H. RICHARDSON, Commissioner.  
MORRIS FOX, Actuary.

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