

**ACTUARY'S REPORT**  
**ON THE VALUATION OF THE**  
**GOVERNMENT INSURANCE DEPARTMENT**  
**AS AT 31st DECEMBER, 1941.**

*Presented to both Houses of the General Assembly pursuant to Section 40 of the Government Life Insurance Act, 1908.*

3rd June, 1942.

IN accordance with your instructions, a valuation of the Department's liabilities under its policies has been made as at 31st December, 1941, with the object of ascertaining the net surplus available for distribution amongst the policyholders, and in accordance with section 40 of the Government Life Insurance Act of 1908, and amendments, I have the honour to report as follows :—

The liabilities arise in respect of 95,581 policies assuring, inclusive of bonus additions, the sum of £36,260,154 and £95,632 immediate and deferred annuities per annum ; the Office premiums thereon amounting to £799,902 per annum.

The bases adopted for the valuation were as follows :

- (a) Endowments : 3 per cent. interest without mortality :
- (b) Temporary Assurances : The proportion of the premiums corresponding to the unexpired risk :
- (c) All other Classes of Assurance : The O<sup>m</sup> mortality table with 3 per cent. interest :
- (d) Annuities : The *a* (*m*) and *a* (*f*) mortality tables with 3 per cent. interest.

The net premium method of valuation was employed in respect of groups (a) and (c) above, and, in addition to the liability brought out on that basis, reserves were included for future bonuses, immediate payment of claims, and other contingencies, including those likely to arise out of the present war.

The valuation disclosed a total surplus of £202,182, as follows :—

					£
Total funds at 31st December, 1941	..	..	..	..	11,854,254
Less value of liabilities	..	..	..	..	11,655,604
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Net surplus	..	..	..	..	198,650
Interim bonus paid during year	..	..	..	..	3,532
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Total surplus	..	..	..	..	£202,182
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The above net surplus is more than sufficient to provide bonuses at the rates allotted for the year ended 31st December, 1940. In view, however, of circumstances arising out of the war, particularly depletion of staff and shortage of paper, I recommend that the above net surplus be carried forward and that interim bonuses be allotted to all policies becoming claims at the rates allotted for the year ended 31st December, 1940.

S. BECKINGSALE, Actuary.

The Government Insurance Commissioner, Wellington.

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