

1904.  
NEW ZEALAND.

ANNUAL REPORT  
OF THE  
GOVERNMENT INSURANCE COMMISSIONER  
FOR THE YEAR ENDED 31st DECEMBER, 1903.

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

Government Insurance Office,  
Wellington, 31st May, 1904.

I HAVE the honour to submit my report on the transactions of the office for the past year, together with the accounts and yearly returns of policies issued and discontinued.

During the year 4,119 proposals were received, for the sum of £906,847; the number of policies issued was 3,137, assuring the sum of £702,350; which represented an increase of £22,947 on the previous year. Twenty-three annuities were also granted during the year, the purchase-money for which amounted to £8,658. The premiums on the new policies amounted to £23,438 per annum.

The income of the Department was £463,380, comprising £311,023 from premiums, and £152,353 from interest.

The sum assured by the Department is now £10,060,262, or, including bonuses, £11,111,807.

Three hundred and twenty-seven policies, representing, with bonus additions, the sum of £117,415, became claims during the year through the death of the persons insured, which is £4,468 less than in the previous year. Three hundred and thirty-eight endowment policies also matured during the year for the sum of £77,024.

The total amount paid by the Department since 1870 in respect of death claims and matured endowments has been £2,571,019.

The consideration for policies surrendered during the past year has exceeded the corresponding item in 1902 by a little over £7,000. The increase has been occasioned by the exodus of a number of railway servants hitherto insured with the Department who have surrendered their policies on the occasion of joining the Railway Superannuation Scheme.

On 31st December, 1903, the total assets of the Department amounted to £3,610,299, and were invested as follows, the table showing the figures of the previous year for comparison:—

At 31st December, 1902.		Class of Investment.	At 31st December, 1903.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£1,808,683	52·1 per cent.	Mortgages on freehold property ...	£1,886,574	52·3 per cent.
668,923	19·2 "	Government securities ...	667,936	18·5 "
607,588	17·5 "	Loans on policies ...	618,190	17·1 "
131,178	3·8 "	Local bodies' debentures ...	140,325	3·9 "
123,575	3·5 "	Landed and house property ...	123,580	3·4 "
98,909	2·8 "	Miscellaneous assets ...	99,172	2·8 "
33,445	1·0 "	Cash on current account ...	73,489	2·0 "
1,833	0·1 "	Properties acquired by foreclosure ...	1,033	0·0 "
£3,474,134	100·0 per cent.	Total ...	£3,610,299	100·0 per cent.

There is an increase of £77,891 in loans on mortgage, and £10,602 in loans on policies.

The rate of interest earned on the funds is £4 8s. 5d. per cent., as contrasted with £4 8s. 6d. for 1902 and £4 8s. 5d. for 1901. There are indications that the fall in the rate of interest, which the Department in common with other financial institutions has had to face of late years, has, for the time at any rate, been arrested; and it may be mentioned that the considerable amount of money which the Department had on hand awaiting investment at the close of 1903 has, at the date of this report, been invested in satisfactory securities, which are freely offering at a higher rate of interest than has been obtainable for some time past.

The satisfactory position of the Department's securities may be gauged by the fact that out of an income from interest amounting to over £152,000, only £415 was overdue at the end of the year. The Department has no foreclosed properties on its hands, the small balance appearing in the accounts under that heading (£1,033) representing the balance of purchase-money not yet due in respect of properties sold.

J. H. RICHARDSON,  
Government Insurance Commissioner.

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REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended 31st December, 1903.

	£	s.	d.		£	s.	d.
Amount of funds at 1st January, 1903	3,382,817	6	8	Death claims under policies, Assurance, including bonus additions ..	117,414	10	0
Renewal premiums—Assurance, Annuity, and Endowment ..	276,344	0	9	Endowment Assurances matured, including bonus additions ..	75,100	8	0
New premiums (including instalments of first year's premiums falling due in the year) ..	23,462	5	2	Endowments matured ..	1,923	18	8
Single premiums—Assurance and Endowment ..	2,558	13	8	Premiums returned on endowments ..	85	3	8
Consideration for Annuities ..	8,657	14	11	Bonuses surrendered for cash ..	12,349	12	6
Interest ..	152,352	17	2	Annuities ..	12,236	1	11
Fees ..	4	0	6	Surrenders ..	31,252	3	2
				Loans released by surrender ..	19,050	11	1
				Commission, new ..	£14,681	14	0
				“ renewal ..	2,185	7	7
					16,867	1	7
				Land- and income-tax ..	9,524	2	8
				Expenses of management—			
				Salaries—			
				Head Office ..	£11,471	13	11
				Branch offices and agents ..	6,195	9	11
				Extra clerical assistance ..	1,506	9	0
				Medical fees and expenses ..	4,850	18	4
				Travelling-expenses ..	740	1	7
				Advertising ..	1,202	5	10
				Printing and stationery ..	1,094	13	8
				Rent ..	2,175	0	0
				Postage ..	1,429	10	2
				Telegrams ..	414	0	6
				Exchange ..	89	13	7
				Office-furniture depreciation ..	313	5	0
				General expenses ..	2,951	18	0
				Triennial expenses ..	3,630	11	8
				Compensation for loss of office ..	266	12	3
					38,332	3	5
				Amount of funds, 31st December, 1903	3,512,061	2	2
					£3,846,196	18	10

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT on 31st December, 1903.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account) ..	3,512,061	2	2	Loans on policies ..	618,189	13	9
Claims admitted, proofs not yet completed ..	25,719	3	0	Government securities—			
Annuities ..	24	13	11	Consolidated stock ..	625,900	0	0
Commission ..	64	4	8	Railway debentures (guaranteed by Government) ..	40,000	0	0
Medical fees ..	489	4	6	Debentures issued under “The Immigration and Public Works Act, 1870” ..	2,036	6	7
Premium and other deposits ..	7,892	13	6		667,936	6	7
Tontine Savings Fund No. 2 ..	7,452	6	9	Municipal Corporation debentures ..	100,103	2	4
Investment Fluctuation Reserve ..	56,595	2	8	County securities ..	722	5	3
				Harbour Board debentures ..	39,000	0	0
				Town Board debentures ..	500	0	0
				Landed and house property ..	123,579	17	8
				Office furniture (Head Office and agencies) ..	2,703	4	10
				Mortgages on property ..	1,886,573	12	3
				Properties acquired by foreclosure ..	1,033	1	2
				Overdue premiums on policies in force ..	4,606	0	9
				Outstanding premiums due but not overdue ..	36,395	10	7
					41,001	11	4
				Overdue interest ..	414	13	1
				Outstanding interest due but not overdue ..	5,239	4	2
				Interest accrued but not due ..	43,108	19	8
					48,762	16	11
				Agents' balances ..	3,073	19	7
				Sundry accounts owing ..	3,630	0	4
				Cash in hand and on current account ..	73,488	19	2
					£3,610,298	11	2

Government Life Insurance Department, 14th March, 1904.

Audited and found correct.

J. K. WARBURTON,  
Controller and Auditor-General.

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

## Statement of Business

YEAR 1903.	TOTAL.					ASSURANCES.			
	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premiums.		Whole-life and Term Assurances.			
				1. Ordinary. 2. Extra.	Annuities. 1. Immediate. 2. Deferred.	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premiums.

## POLICIES ISSUED AND DISCON-

	No.	£	£	£	s.	d.	£	s.	d.	No.	£	£	£	s.	d.
Policies in force at 31st December, 1902	42,406	9,896,572	838,088	296,602	2	3	12,117	16	3	15,744	4,584,630	591,966	112,259	9	9
New business, 1903 ..	3,160	702,350	..	3,383	7	3	24,273	18	1	6	2,688	..	2,532	2	2
Bonus allotted .. ..	..	..	290,073	23,378	9	2	836	1	4	..	..	155,537	59	0	9
				59	16	7	4,304	10	11				6	2	6
Total .. ..	45,566	10,598,922	1,128,161	319,980	11	5	12,953	17	7	15,750	4,587,318	747,503	112,318	10	6
				3,443	3	10	28,578	9	0				2,538	4	8
Policies discontinued during 1903	2,450	538,660	76,616	17,618	3	1	491	9	3	625	183,308	46,558	5,069	2	2
				251	0	8	859	6	0				184	3	2
Total Policies in force at 31st December, 1903	43,116	10,060,262	1,051,545	302,362	8	4	12,462	8	4	15,125	4,404,010	700,945	107,249	8	4
				3,192	3	2	27,719	3	0				2,354	1	0

## PARTICULARS OF POLICIES DISCON-

How Discontinued.												
By Death	..	..	..	341	98,570	18,691	{ 2,969 9 1 63 9 5 }	{ 491 9 3 78 6 2 }	211	76,211	16,907	{ 2,133 13 0 60 7 4 }
Maturity	..	..	..	338	63,960	12,907	{ 2,734 14 9 14 5 7 }	..	..	..	..	..
Surrender	..	..	..	659	138,252	9,733	{ 4,329 8 11 40 1 1 }	{ .. 600 5 2 }	221	54,844	5,780	{ 1,895 4 11 25 17 5 }
Surrender of Bonus	..	..	..	..	..	23,812	..	..	..	..	17,326	..
Lapse	..	..	..	1,112	237,878	11,473	{ 7,253 17 0 71 7 5 }	{ .. 180 14 8 }	193	52,253	6,545	{ 1,232 1 8 40 15 1 }
Expiry of Policy	..	..	..	..	..	..	..	..	..	..	..	..
Expiry of Premium	..	..	..	..	..	..	{ 275 1 0 4 11 8 }	..	..	..	..	{ 275 1 0 4 11 8 }
Miscellaneous	..	..	..	..	..	..	{ 55 12 4 57 5 6 }	..	..	..	..	{ 33 2 0 52 11 8 }
Total	..	..	..	2,450	538,660	76,616	{ 17,618 3 1 251 0 8 }	{ 491 9 3 859 6 0 }	625	183,308	46,558	{ 5,069 2 2 184 3 2 }

## PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE

Total issued .. ..	91,238	22,374,624	1,919,819	687,220	13	1	52,143	18	10	39,593	11,694,115	1,294,745	308,313	5	6
				13,959	15	3							10,784	18	3
Total void .. ..	48,122	12,314,362	868,274	384,858	4	9	11,962	7	6	24,468	7,290,105	593,800	201,063	17	2
				10,767	12	1							8,430	16	9
Total in force .. ..	43,116	10,060,262	1,051,545	302,362	8	4	40,181	11	4	15,125	4,404,010	700,945	107,249	8	4
													2,354	1	0
Extra Premiums .. ..	..	..	..	3,192	3	2	NOTE.—The Ordinary Premium is the premium charged								
Reduction of Premiums by Bonus, &c. ..	..	..	..	253	15	0									
				2305,808	6	6									

Wellington, 15th March, 1904.

at end of Year 1903.

ASSURANCES.								ANNUITIES.			SIMPLE ENDOWMENTS, INVESTMENTS, &c.		
Endowment Assurances.				Annuity Assurances.									
No.	Sum Assured.	Rever-sionary Bonus.	Annual Premiums. 1. Ordinary. 2. Extra.	No.	1. Sum Assured. 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 1903.

25,310	£ 5,181,509	£ 245,346	£ s. d. (178,489 5 8 851 5 1 22,174 15 5 53 14 1	468	£ (63,250 776)	£ s. d. 24,068 8 53	£ s. d. 3,345 15 6	(293 8 23	£ s. d. 75 15 1 .. ..	£ s. d. (12,117 16 3 205 9 8 836 1 4	583	£ 67,183	£ s. d. 2,431 16 3
2,934	673,812	..	..	90	11,400	4,304 10 11	590 19 0	..	..	..	107	14,450	553 14 0
..	..	133,156	..	..	1,380	..	..	..	..	..	..	..	..
28,244	5,855,321	378,502	(200,664 1 1 904 19 2 12,206 15 4 66 17 6	558	(74,650 2,156 2,200 61	28,372 19 43	3,936 14 6	(316 8 14	75 15 1 .. ..	(12,953 17 7 205 9 8 491 9 3 ..	690	81,633	2,985 10 3
1,734	347,228	29,997	..	17	..	859 6 0	116 4 6	..	..	..	60	5,924	226 1 1
26,510	5,508,093	348,505	(188,457 5 9 838 1 8	541	(72,450 2,095	27,513 13 43	3,820 10 0	(302 8	75 15 1	(12,462 8 4 205 9 8	630	75,709	2,759 9 2

TINUED DURING THE YEAR 1903.

115	22,209	1,773	(827 13 1 3 2 1 2,650 11 8 4 5 7 2,738 12 9 14 3 8	1	(150 11	78 6 2	8 3 0	(14 ..	..	(491 9 3 ..	..	..	..
314	62,036	12,907	..	..	..	..	..	..	..	..	24	1,924	84 3 1
399	78,758	3,907	..	12	(1,650 46	600 5 2	86 15 8	..	..	..	27	3,000	108 15 7
..	..	6,486	..	..	..	..	..	..	..	..	..	..	..
906	184,225	4,924	(5,967 18 10 30 12 4	4	(400 4	189 14 8	20 18 0	..	..	..	9	1,000	32 18 11
..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	(21 19 0 4 13 10	..	..	..	0 7 10	..	..	..	..	..	0 3 6
1,734	347,228	29,997	(12,206 15 4 66 17 6	17	(2,200 61	859 6 0	116 4 6	(14 ..	..	(491 9 3 ..	60	5,924	226 1 1

DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1903.

48,101	10,426,420	622,793	(366,892 14 2 3,174 17 0 178,435 8 5 2,336 15 4	606	(81,950 2,281 9,500 186	30,848 11 64	4,321 3 2	488 218 2 6	21,295 7 4	2,450	172,139	7,475 7 9
21,591	4,918,327	274,288	..	65	..	3,334 18 2	500 13 2	178 142 7 5	8,627 9 4	1,820	96,430	4,715 18 7
26,510	5,508,093	348,505	(188,457 5 9 838 1 8	541	(72,450 2,095	27,513 13 43	3,820 10 0	310 75 15 1	12,667 18 0	630	75,709	2,759 9 2

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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