

1907.  
NEW ZEALAND.

ANNUAL REPORT  
OF THE  
GOVERNMENT INSURANCE COMMISSIONER  
FOR THE YEAR ENDED 31ST DECEMBER, 1906.

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

Government Insurance Office,  
Wellington, 11th April, 1907.

I HAVE the honour to submit the following report regarding the transactions of the Department for the year ended the 31st December, 1906, and its position at that date. The Revenue Account, Balance-sheet, and Statement of Business are appended.

*New Business.*—During the year 3,993 proposals were dealt with, for the assurance of £936,557, and the number of policies actually completed was 3,083, assuring £729,105, being £13,084 in advance of the new business for the previous year. The annual new premiums on new policies amounted to £24,037, in addition to single premiums for £924. Twenty-three annuities were also granted, on which the purchase-money amounted to £11,770.

*Total Business in Force.*—The total business now in force is 45,648 policies, assuring £10,667,591 (and £1,183,901 bonuses) at death or maturity, together with 333 immediate and deferred annuities for £53,588 per annum; the total bearing an annual premium income of £325,633.

In the Civil Service section, which is included in the foregoing total business, there are 789 policies, assuring £120,519 (and £4,600 bonuses), and entitling the survivors, at age 60, to annuities amounting to £38,207 per annum. The annual premium income of this section now amounts to £6,337.

*Income.*—The income of the year was £331,546 for premiums, and £175,512 for interest, making, with other receipts, a total of £507,070, which represents an increase of £16,145 upon the total income of the previous year. The details of the total income are as follows:—

	£
New premiums (including single premiums) ... ..	22,717
Renewal premiums ... ..	297,058
Purchase money for annuities ... ..	11,770
Interest ... ..	175,512
Fees ... ..	13
Total income for 1906 ... ..	<u>£507,070</u>

The income from every source shows a considerable increase upon that of the previous year.

*Outgo.*—Claims by death amounted to £124,239, which represents only £3,549 more than was paid on this account in 1905, and is considerably less than is provided for in the tables of mortality used by the Department. Two hundred and forty-nine policies matured as claims during lifetime for £66,698.

The total amount paid by the Department, since its foundation thirty-seven years ago, in respect of death claims and matured endowments, has been £3,186,183.

The total expenditure, including taxes, commission, and triennial investigation expenses, amounted to £67,828, the ratio of expenses (including the land and income tax) to total income being 13·4 per cent. for the year.

*Accumulated Funds.*—The net increase in the funds during the year amounted to £169,022, and the total assurance, annuity, and endowment funds now stand at £3,991,599. The following statement shows the growth of the Department in this and other respects during the past fifteen years:—

Year.	Policies in Force.					Revenue from Interest.	Accumulated Funds.	Ratio of Total Expenses (including Taxes) to Total Income.
	Number.	Sum Assured.	Bonuses.	Annuities	Premium Income.			
1891 .. .. .	29,226	£ 7,782,734	£ 608,069	£ 6,347	£ 234,496	£ 96,379	£ 1,847,797	Per cent. 16·1
1906 .. .. .	45,981	10,667,591	1,183,901	53,588	331,546	175,512	3,991,599	13·4
Improvement in 15 years	16,755	2,884,857	575,832	47,241	97,050	79,133	2,143,802	2·7 (Decrease).

*The Balance-sheet.*—On the 31st December, 1906, the total assets of the Department amounted to £4,107,929, and were invested as shown in the following comparative statement:—

At 31st December, 1905.		Class of Investment.	At 31st December, 1906.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£ 2,132,039	54·3 per cent.	Mortgages on freehold property ...	£ 2,171,237	52·8 per cent.
667,965	17·0 "	Government securities ...	667,980	16·3 "
679,493	17·3 "	Loans on policies ...	694,847	16·9 "
67,614	1·7 "	Cash on current account ...	183,102	4·5 "
154,334	3·9 "	Local bodies' debentures ...	163,444	4·0 "
122,436	3·1 "	Landed and house property ...	122,436	3·0 "
103,119	2·7 "	Miscellaneous assets ...	104,883	2·5 "
804	0·0 "	Properties acquired by foreclosure...	...	...
£3,927,804	100·0 per cent.	Total ... ..	£4,107,929	100·0 per cent.

It will be noticed that foreclosed properties, after being gradually reduced from the maximum of £37,684 in 1892, have entirely disappeared from the list of assets.

Overdue interest now stands at the remarkably low figure of £382, being less than  $\frac{1}{4}$  per cent. of the total interest charges.

The progress of the Department has been well maintained through the operations of the year. The new-business returns have again improved, and there have been satisfactory increases in both the interest and premium income. The mortality experience has continued to be favourable, and an interim actuarial valuation of the liabilities under policies in force shows that the profit resulting from the year's business has been highly satisfactory, auguring well for the bonus-distribution due at the end of next year.

J. H. RICHARDSON,  
Government Insurance Commissioner.

REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended  
31st December, 1906.

	£	s.	d.		£	s.	d.
Amount of Funds at 1st January, 1906	3,822,576	15	7	Death claims under policies, Assurance, including bonus additions .. ..	124,239	0	4
Renewal premiums—Assurance, Annuity, and Endowment .. ..	297,057	11	4	Endowment Assurances matured, including bonus additions .. ..	64,368	13	10
New premiums (including instalments of first year's premiums falling due in the year) .. ..	21,793	14	4	Endowments matured .. ..	2,329	12	2
Single premiums—Assurance and Endowment .. ..	923	18	11	Premiums returned on endowments .. ..	41	8	7
Consideration for Annuities .. ..	11,770	12	1	Bonuses surrendered for cash .. ..	12,396	14	9
Interest .. ..	175,511	15	3	Annuities .. ..	13,918	11	5
Fees .. ..	12	16	10	Surrenders .. ..	32,809	12	5
				Loans released by surrender .. ..	20,116	7	4
				Commission, new .. £14,996	13	4	
				renewal .. 2,333	16	0	
					17,330	9	4
				Land and Income Tax .. ..	10,613	9	10
				Expenses of management—			
				Salaries—			
				Head Office .. £12,652	16	0	
				Branch offices and agents .. ..	6,695	5	11
				Extra clerical assistance .. ..	1,466	19	0
				Medical fees and expenses .. ..	4,420	12	9
				Travelling-expenses .. ..	552	14	3
				Advertising .. ..	1,571	11	1
				Printing and stationery .. ..	1,554	19	6
				Rent .. ..	2,485	0	0
				Postage .. ..	1,494	15	3
				Telegrams .. ..	407	9	8
				Exchange .. ..	86	13	1
				Office-furniture depreciation .. ..	270	9	3
				General expenses .. ..	3,483	10	2
				Triennial expenses .. ..	2,188	16	9
				Compensation for loss of office .. ..	552	16	9
					39,884	9	5
				Amount of Funds, 31st December, 1906	3,991,598	14	11
					£4,329,647	4	4

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT on 31st December, 1906.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account) .. ..	3,991,598	14	11	Loans on policies .. ..	694,847	1	6
Claims admitted, proofs not yet completed .. ..	30,285	1	8	Government securities—			
Annuities .. ..	99	3	2	Consolidated stock .. ..	625,900	0	0
Commission .. ..	176	3	2	Railway debentures (guaranteed by Government) .. ..	40,000	0	0
Medical fees .. ..	345	9	0	Debentures issued under "The Immigration and Public Works Act, 1870" .. ..	2,080	0	0
Premium and other deposits .. ..	5,268	11	3		667,980	0	0
Fire-insurance moneys in suspense .. ..	5,001	1	0	Municipal Corporation debentures .. ..	121,728	3	3
Tontine Savings Fund No. 2 .. ..	11,345	15	4	County securities .. ..	516	3	6
Investment Fluctuation Reserve .. ..	63,808	19	11	Harbour Board debentures .. ..	39,000	0	0
				Town Board debentures .. ..	2,200	0	0
				Landed and house property .. ..	122,436	4	11
				Office furniture (Head Office and agencies) .. ..	2,434	3	6
				Mortgages on property .. ..	2,171,236	13	4
				Properties acquired by foreclosure .. ..	Nil.		
				Overdue premiums on policies in force .. ..	6,054	17	1
				Outstanding premiums due but not overdue .. ..	38,770	0	4
					44,824	17	5
				Overdue interest .. ..	381	15	5
				Outstanding interest due but not overdue .. ..	5,966	11	11
				Interest accrued but not due .. ..	47,667	11	5
					54,015	18	9
				Agents' balances .. ..	2,896	4	11
				Sundry accounts owing .. ..	711	19	3
				Cash in hand and on current account .. ..	183,101	9	1
					£4,107,928	19	5

Government Life Insurance Department, 14th March, 1907.

Audited and found correct.

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

J. H. RICHARDSON,  
Commissioner.

W. B. HUDSON,  
Secretary.

## Statement of Business

YEAR 1906.	TOTAL.					ASSURANCES.			
	No.	Sum Assured.	Rever- sionary Bonuses.	Annual Premiums.		Whole-life and Term Assurances.			
				1. Ordinary. 2. Extra.	Annuities. 1. Immediate. 2. Deferred.	No.	Sum Assured.	Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.

## POLICIES ISSUED AND DISCON-

			£	£	£	s.	d.	£	s.	d.		£	£	£	s.	d.	
Policies in force at 31st December, 1905	45,137	10,468,316	954,751	{	316,062	1	5	13,548	2	7	14,120	4,099,882	643,611	{	98,403	9	1
				{	2,936	2	4	35,756	16	1				{	2,091	16	4
New business, 1906 .. ..	3,106	729,105	..	{	23,948	4	1	1,304	16	10	6	2,900	..	{	87	17	9
				{	88	14	6	6,546	..	1				{	8	18	4
Bonuses allotted .. ..	..	..	302,910	..				..			..	..	142,244	..			
Total .. ..	48,243	11,197,421	1,257,661	{	340,010	5	6	14,852	19	5	14,126	4,102,782	785,855	{	98,491	6	10
				{	3,024	16	10	42,303	0	2				{	2,100	14	8
Policies discontinued during 1906	2,262	529,830	73,760	{	17,394	6	11	700	11	11	519	150,827	41,454	{	4,068	19	7
				{	213	14	8	2,867	10	7				{	102	13	2
Total Policies in force at 31st December, 1906	45,981	10,667,591	1,183,901	{	322,615	18	7	14,152	7	6	13,607	3,951,955	744,401	{	94,422	7	3
				{	2,811	2	2	39,435	9	7				{	1,998	1	6

## PARTICULARS OF POLICIES DISCON-

How Discontinued.	No.	£	£	£	s.	d.	No.	£	£	£	s.	d.
By Death	392	105,100	18,575	3,325	0	6	257	77,970	16,317	2,114	8	2
Maturity	249	55,761	10,904	79	3	10	..	..	..	62	9	1
Surrender	510	118,761	10,557	2,670	13	7	..	..	..	..	..	..
Surrender of Bonus	..	..	22,808	17	7	11	116	36,649	6,464	964	19	9
Lapse	1,109	249,608	10,916	3,928	17	10	..	..	13,481	14	16	3
Expiry of Policy	2	600	..	42	18	7	..	..	..	..	..	..
Expiry of Premiums	..	..	..	..	..	..	144	35,608	5,192	859	16	1
Miscellaneous	..	..	..	7,280	0	4	2	600	..	11	5	11
Total	2,262	529,830	73,760	53	2	1	..	..	..	10	2	11
				10	2	11	..	..	..	0	13	6
				103	7	7	..	..	..	100	3	3
				20	8	0	..	..	..	13	7	10
				76	4	2	..	..	..	19	14	5
				0	0	9	..	..	..	0	0	7
				17,394	6	11	519	150,827	41,454	4,068	19	7
				213	14	8				102	13	2

## PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE

Total issued	100,710	24,514,305	2,222,729	758,005	12	10	72,922	7	7	39,606	11,699,495	1,436,989	308,559	5	3
Total void	54,729	13,846,714	1,038,828	14,201	3	6	19,334	10	6	25,999	7,747,540	692,588	10,797	14	11
Total in force	45,981	10,667,591	1,183,901	435,389	14	3	..	..	..	..	..	..	214,136	18	0
				11,390	1	4	..	..	..	..	..	..	8,799	13	5
				322,615	18	7	14,152	7	6	13,607	3,951,955	744,401	94,422	7	3
				2,811	2	2	39,435	9	7				1,998	1	6
Extra Premiums	..	..	..	2,811	2	2	NOTE.—The Ordinary Premium is the premium charged								
Reduction of Premiums by Bonus, &c.	..	..	..	206	5	11									

Wellington, 1st March, 1907.

£325,633 6 8

# at end of Year 1906.

ASSURANCES.							ANNUITIES.			SIMPLE ENDOWMENTS, INVESTMENTS, ETC.			
Endowment Assurances.				Annuity Assurances.									
No.	Sum Assured.	Rever- sionary Bonuses	Annual Premiums. 1. Ordinary. 2. Extra.	No.	1. Sum Assured. 2. Rever- sionary Bonuses.	Deferred Annuities.	Annual Premiums.	No.	Annual Premiums.	Annuities. 1. Immediate. 2. Deferred.	No.	1. Sum Assured. 2. Rever- sionary Bonuses.	Annual Premiums.

## TINUED DURING THE YEAR 1906.

29,305	6,183,251	309,257	{ 209,128 1 0 844 6 0 22,482 10 7 79 16 2 }	688	{ 97,000 1,883 17,550 .. }	35,564 14 5	5,144 7 2	{ 321 7 22 1 }	£ s. d. .. 77 10 7 .. ..	£ s. d. 13,548 2 7 192 1 8 1,304 16 10 30 3 0	696	88,183	3,308 13 7
2,872	698,105	..	..	124	..	6,516 1 1	956 1 0	..	..	..	81	10,550	421 14 9
..	..	158,374	..	..	2,282	..	..	..	..	..	..	10	..
32,177	6,881,356	467,631	{ 231,610 11 7 924 2 2 12,656 13 6 111 1 6 }	812	{ 114,550 4,165 7,805 316 }	42,080 15 6	6,100 8 2	351	77 10 7	15,075 4 1	777	{ 98,733 10 6,370 10 }	3,730 8 4
1,602	364,828	31,980	..	61	..	2,867 10 7	421 6 10	18	..	700 11 11	62	..	247 7 0
30,575	6,516,528	435,651	{ 218,953 18 1 813 0 8 }	751	{ 106,745 3,849 }	39,213 4 11	5,679 1 4	333	77 10 7	{ 14,152 7 6 222 4 8 }	715	92,363	3,483 1 4

## TINUED DURING THE YEAR 1906.

117	27,130	2,258	{ 1,210 17 4 16 14 9 2,569 16 8 17 7 11 }	..	..	..	..	18	..	700 11 11	..	..	..
222	58,441	10,894	..	..	..	..	..	..	..	..	27	{ 2,320 10 }	100 16 11
308	71,457	3,784	{ 2,444 4 1 28 2 4 }	58	{ 7,505 309 }	2,765 19 3	405 1 5	..	..	..	28	3,150	114 12 7
..	..	9,327	..	..	..	..	..	..	..	..	..	..	..
955	212,800	5,717	{ 6,375 15 1 41 16 2 }	3	{ 300 7 }	101 11 4	15 16 0	..	..	..	7	900	28 13 2
..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	{ 7 0 2 56 0 4 0 0 2 }	..	..	..	..	..	..	..	..	..	3 4 4
..	..	..	..	..	..	..	0 9 5	..	..	..	..	..	..
1,602	364,828	31,980	{ 12,656 13 6 111 1 6 }	61	{ 7,805 316 }	2,867 10 7	421 6 10	18	..	700 11 11	62	{ 6,370 10 }	247 7 0

## DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1906.

56,875	12,472,671	781,167	{ 433,166 8 10 3,403 8 7 214,212 10 9 2,590 7 11 }	935	{ 131,600 4,563 24,855 714 }	48,327 10 5	6,998 18 6	552	265 2 0	24,594 17 2	2,742	{ 210,539 10 118,176 10 }	9,015 18 3
26,300	5,956,148	345,516	..	184	..	9,114 5 6	1,319 17 2	219	187 11 5	10,220 5 0	2,027	..	5,532 16 11
30,575	6,516,528	435,651	{ 218,953 18 1 813 0 8 }	751	{ 106,745 3,849 }	39,213 4 11	5,679 1 4	333	77 10 7	{ 14,152 7 6 222 4 8 }	715	92,363	3,483 1 4

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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