

1910.
NEW ZEALAND.

ANNUAL REPORT
OF THE
GOVERNMENT INSURANCE COMMISSIONER
FOR THE YEAR ENDED 31ST DECEMBER, 1909.

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

Government Insurance Office,
Wellington, 30th May, 1910.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended the 31st December, 1909, and its position at that date. The Revenue Account, Balance-sheet, and Statement of business are appended.

New Business.—During the year 4,268 proposals were dealt with, for the assurance of £985,550, and the number of policies actually completed was 3,451, assuring £795,339, being an advance in both number of policies and sums assured on the new business of the previous year. The annual premiums on new policies amounted to £24,923. Twenty-three annuities were also granted, on which the purchase-money was £14,306. The new business of the Department has shown a steady increase for some years past, as will be seen from the following :—New sums assured : 1903, £702,350 ; 1905, £716,021 ; 1907, £752,065 ; and 1909, £795,339.

Total Business in Force.—The total business now in force is 47,654 policies, assuring £11,151,094 (and £1,296,654 bonuses) at death or maturity, together with 362 immediate and deferred annuities for £20,590 per annum ; the total business bearing an annual premium income of £336,873.

Income.—The total income of the year was £546,566, an increase of £12,125, made up as follows :—

New premiums (including single premiums)	£23,384
Renewal premiums	307,543
Purchase-money for annuities	14,306
Interest	201,327
Fees	6
Total income for 1909	£546,566

The income from interest showed an increase of £7,457 and the average rate of interest earned on the mean funds increased from £4 12s. 2d. to £4 12s. 11d. per cent.

Outgo.—During the year 396 policies became void by death, for claims amounting to £135,412, being considerably under what is provided for in the tables of mortality used by the Department. Four hundred and eleven policies also matured as claims during lifetime for £111,216. £3,908,291 has been paid in respect of claims by death and survival since the foundation of the Department forty years ago. Ordinary surrenders amounted to £38,143, bonus surrenders to £13,041, and loans released by surrender to £20,601. The total expenses were £72,120, the ratio of expenses to premium income being 20·9 per cent, and to total income 13·2 per cent.

Accumulated Funds.—The net increase in the funds during the year was £140,456, and the total assurance, annuity, and endowment funds at the close of the year (apart from special reserves) amounted to £4,405,141.

The Balance-sheet.—On the 31st December, 1909, the total assets of the Department amounted to £4,536,117, and were invested as shown in the following comparative statement:—

At 31st December, 1908.		Class of Investment.	At 31st December, 1909.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
2,571,865	58.5 per cent.	Mortgages on freehold property ..	2,620,595	57.8 per cent.
730,865	16.6 "	Loans on policies	764,279	16.8 "
668,013	15.2 "	Government securities	668,030	14.7 "
179,509	4.1 "	Local bodies' debentures	179,303	4.0 "
124,325	2.8 "	Landed and house property	132,549	2.9 "
107,983	2.4 "	Miscellaneous assets	109,635	2.4 "
17,288	0.4 "	Cash on current account	61,726	1.4 "
£4,399,848	100.0 per cent.	Total	£4,536,117	100.0 per cent.

It may be mentioned that "Foreclosed properties" are again nil, and that the total investments now amounting to £4,366,379 show an increase of £89,909.

The progress of the Department has been well maintained throughout, the new business having been increased and the position generally being eminently satisfactory, especially in view of the financial stringency that occurred in the early part of the year under review.

An interim actuarial valuation of the liabilities under policies in force shows that the year's profit has been very favourable.

J. H. RICHARDSON,
Government Insurance Commissioner.

REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended 31st December, 1909.

	£	s.	d.		£	s.	d.
Amount of Funds at 1st January, 1909	4,264,684	19	2	Death claims under policies, Assurance, including bonus additions ..	135,412	7	5
Renewal premiums—Assurance, Annuity, and Endowment ..	307,542	15	10	Endowment Assurances matured, including bonus additions ..	109,544	2	0
New premiums (including instalments of first year's premiums falling due in the year) ..	22,342	6	6	Endowments matured ..	1,672	0	0
Single premiums—Assurance and Endowment ..	1,041	8	8	Premiums returned on endowments ..	13	5	9
Consideration for Annuities ..	14,306	9	9	Bonuses surrendered for cash ..	13,040	15	4
Interest ..	201,326	18	4	Annuities ..	15,562	13	8
Fees ..	6	0	1	Surrenders ..	38,143	8	3
				Loans released by surrender ..	20,601	8	8
				Commission, new* ..	£16,505	13	9
				" renewal ..	2,356	13	7
					18,862	7	4
				Land and income tax ..	12,447	0	9
				Expenses of management—			
				Salaries—			
				Head Office ..	£16,015	2	1
				Branch offices and agents ..	7,176	0	11
				Extraclerical assistance ..	186	16	0
				Medical fees and expenses ..	5,191	7	4
				Travelling expenses ..	720	0	5
				Advertising ..	949	7	0
				Printing and stationery ..	1,540	18	1
				Rent ..	2,739	2	6
				Postage and telegrams ..	1,600	10	9
				Exchange ..	75	1	4
				Office-furniture depreciation ..	270	9	3
				General expenses ..	2,269	3	5
				Triennial expenses ..	2,076	7	4
					40,810	6	5
				Amount of Funds, 31st December, 1909	4,405,141	2	9
					£4,811,250	18	4

* Including Agents' allowances.

Statement of Business

YEAR 1909.	TOTAL.						ASSURANCES.			
							Whole-life and Term Assurances.			
	No.	Sum Assured.	Rever-sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.	Annuities. 1. Immediate. 2. Deferred.		No.	Sum Assured.	Rever-sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
Policies in force at 31st December, 1908	47,033	£10,955,749	£1,068,950	£329,007 12 7	£15,406 6 7		12,651	£3,676,666	£688,957	£86,649 15 3
New business, 1909	3,474	795,339	..	2,620 14 0	5,272 14 0		4	3,389	..	1,791 7 2
Bonuses allotted ..	..	..	316,742	24,853 16 5	996 9 8		..	..	132,144	72 11 10
				69 9 4	46 6 8					0 0 1
Total ..	50,507	11,751,088	1,385,692	353,861 9 0	16,402 16 3		12,655	3,680,055	821,101	86,722 7 1
Policies discontinued during 1909 ..	2,491	599,994	89,033	2,690 3 4	5,319 0 8		456	140,692	45,108	1,791 7 3
				19,689 1 11	726 11 0					3,964 19 7
				160 8 7	405 4 8					103 16 7
Total Policies in force at 31st December, 1909	48,016	11,151,094	1,296,654	334,172 7 1	15,676 5 3		12,199	3,539,363	775,993	82,757 7 6
				2,529 14 9	4,913 16 0					1,687 10 8

POLICIES ISSUED AND DISCON.

How Discontinued.	No.	Sum Assured.	Rever-sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.	Annuities. 1. Immediate. 2. Deferred.	No.	Sum Assured.	Rever-sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
By Death ..	415	110,922	23,974	3,355 12 0	747 19 8	257	82,722	21,164	2,219 8 0
Maturity ..	411	91,390	19,536	68 6 5	..	..	..	..	62 15 7
Surrender ..	629	149,262	11,300	3,913 4 10	..	..	..	..	..
Surrender of Bonus ..	..	..	23,374	22 5 2	383 16 0	115	35,200	6,014	944 15 7
Lapse ..	1,033	247,070	10,854	4,801 18 1	..	..	..	13,397	21 15 2
Expiry of Policy ..	3	1,350	..	30 1 9	..	..	..	..	..
Expiry of Premiums ..	..	..	..	7,214 17 6	..	81	21,420	4,533	494 2 0
Miscellaneous ..	..	..	..	22 1 8	..	3	1,350	..	8 5 0
				19 6 10	..				19 6 10
				328 13 0	..				282 3 0
				17 12 8	..				11 0 0
				55 9 8	..				5 4 2
				0 0 11	..				0 0 10
Total ..	2,491	599,994	89,038	19,689 1 11	1,131 15 8	456	140,692	45,108	3,964 19 7
				160 8 7	..				103 16 7

PARTICULARS OF POLICIES DISCON.

How Discontinued.	No.	Sum Assured.	Rever-sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.	Annuities. 1. Immediate. 2. Deferred.	No.	Sum Assured.	Rever-sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
By Death ..	415	110,922	23,974	3,355 12 0	747 19 8	257	82,722	21,164	2,219 8 0
Maturity ..	411	91,390	19,536	68 6 5	..	..	..	..	62 15 7
Surrender ..	629	149,262	11,300	3,913 4 10	..	..	..	..	..
Surrender of Bonus ..	..	..	23,374	22 5 2	383 16 0	115	35,200	6,014	944 15 7
Lapse ..	1,033	247,070	10,854	4,801 18 1	..	..	..	13,397	21 15 2
Expiry of Policy ..	3	1,350	..	30 1 9	..	..	..	..	..
Expiry of Premiums ..	..	..	..	7,214 17 6	..	81	21,420	4,533	494 2 0
Miscellaneous ..	..	..	..	22 1 8	..	3	1,350	..	8 5 0
				19 6 10	..				19 6 10
				328 13 0	..				282 3 0
				17 12 8	..				11 0 0
				55 9 8	..				5 4 2
				0 0 11	..				0 0 10
Total ..	2,491	599,994	89,038	19,689 1 11	1,131 15 8	456	140,692	45,108	3,964 19 7
				160 8 7	..				103 16 7

PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE

Total issued ..	110817	26,842,307	2,539,471	£831,474 16 5	85,251 16 4	39,616	11,706,446	1,569,132	£308,774 18 8
				14,421 5 10	..				10,807 15 0
Total void ..	62,801	15,691,213	1,242,817	497,302 9 4	64,661 15 1	27,417	8,167,083	793,139	226,017 11 2
				11,891 11 1	..				9,120 4 4
Total in force ..	48,016	11,151,094	1,296,654	334,172 7 1	20,590 1 3	12,199	3,539,363	775,993	82,757 7 6
				2,529 14 9	..				1,687 10 8
Extra Premiums ..	..	..	..	170 17 3	..				..
Reduction of Premiums by Bonus, &c. ..	..	..	..	..	..				..

NOTE.—The Ordinary Premium is the premium charged

Wellington, 22nd February, 1910.

£336,872 19 1

at end of Year 1909.

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

TINUED DURING THE YEAR 1909.

33,131	£ 7,156,406	£ 379,178	£ s. d. 237,254 18 5 829 6 10 24,113 1 2 69 9 3	104	£ 20,495 815 400	£ s. d. 5,175 1 4 46 6 8	£ s. d. 1,111 7 4 22 16 0	354 5 23	£ s. d. 68 10 7 ..	£ s. d. 15,406 6 7 97 12 8 996 9 8	788	£ 102,182	£ s. d. 3,923 1 0 645 7 5
3,319	774,650	..	..	1	..	..	..	..	..	..	..	..	..
..	..	183,974	..	..	580	..	..	..	..	..	..	44	..
36,450	7,981,056	563,152	261,367 19 7 898 16 1 15,345 15 8 56 12 0	105	20,895 1,395 1,224 50	5,221 8 0	1,134 3 4	377 5 19 1	.. 68 10 7 .. 12 10 0	16,402 16 3 97 12 8 726 11 0 21 9 8	915	119,082 44 7,113 9	4,568 8 5 297 17 5
1,951	450,965	43,871	..	7	..	383 15 0	67 19 3	..	..	..	57	..	..
34,499	7,480,091	519,281	246,022 3 11 842 4 1	98	19,671 1,345	4,837 13 0	1,066 4 1	358 4	56 0 7	15,676 5 3 76 3 0	858	111,969 35	4,270 11 0

TINUED DURING THE YEAR 1909.

138	28,000	2,810	1,126 4 0 5 10 10	1	200	21 8 8	10 0 0	19	..	726 11 0	..	..	..
396	89,727	19,527	3,844 10 6 22 5 2	..	..	..	..	..	..	..	15	1,663 9	68 14 4
472	108,288	5,236	3,597 5 5 8 6 7	6	1,024 50	362 6 4	56 13 0	1	12 10 0	21 9 8	35	4,750	190 14 1
..	..	9,977	..	..	..	..	..	..	..	..	..	..	..
945	224,950	6,321	6,694 15 5 13 16 8	..	..	..	..	..	..	..	7	700	26 0 1
..
..	..	..	34 11 4 6 12 8	..	..	..	..	..	..	..	..	..	11 18 8
..	..	..	48 9 0 0 0 1	..	..	..	1 6 3	..	..	..	..	..	0 10 3
1,951	450,965	43,871	15,345 15 8 56 12 0	7	1,224 50	383 15 0	67 19 3	20	12 10 0	748 0 8	57	7,113 9	297 17 5

DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1909.

66,419	14,728,072	965,141	(503,444 12 2) 3,613 10 10	1106	(156,650) 5,144	57,205 3 10	8,355 7 6	633	265 2 0	28,046 12 6	3,043	(251,139 54	10,634 16 1
31,920	7,247,981	445,860	(257,422 8 3) 2,771 6 9	1008	(136,979) 3,799	52,367 10 10	7,289 3 5	271	209 1 5	12,294 4 3	2,185	(139,170 19	6,364 5 1
34,499	7,480,091	519,281	(246,022 3 11) 842 4 1	98	(19,671) 1,345	4,837 13 0	1,066 4 1	362	56 0 7	15,752 8 3	858	(111,969 35	4,270 11 0

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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