

ACTUARY'S REPORT

ON THE VALUATION OF

THE GOVERNMENT INSURANCE DEPARTMENT

AS AT 31ST DECEMBER, 1917.

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

Wellington, 19th April, 1918.

In accordance with instructions received I have made a valuation as at the 31st December last of the actuarial liabilities of the Department, with the object of ascertaining the net surplus available for division amongst the policyholders, and in compliance with section 40 of the Government Life Insurance Act, 1908, I have now the honour to report the results of the investigation.

PROGRESS OF THE DEPARTMENT.

The progress of the Department during the last three years when compared with the three previous trienniums, in respect of new business and total business in force, is as follows:—

Triennium.	New Business of Triennium.			In Force at End of Triennium.			
	Number of Policies.	Sums assured.	Annual Premiums.	Number of Policies.	Sums assured.	Reversionary Bonuses.	Annual Premiums.
1906-1908 ..	9,739	£ 2,261,767	£ 72,803	47,033	£ 10,955,749	£ 1,068,950	£ 331,830
1909-1911 ..	10,476	2,487,472	77,477	49,376	11,514,657	1,168,620	348,285
1912-1914 ..	11,721	3,197,694	89,715	52,273	12,550,465	1,246,610	370,882
1915-1917 ..	10,129	2,709,163	90,017	53,058	12,884,531	1,304,243	387,377

From the above it will be seen that there is a considerable falling-off in the new business, which is wholly accounted for by the number of men engaged in the Expeditionary Forces. In this connection it has to be remembered that life-insurance companies are charging inadequate rates for the war risk, so that an undue accession of new business at the present juncture would be a direct cause of immediate loss.

The Consolidated Revenue Account, given below, shows the total income and expenditure for the past three years, and the growth of the funds of the Department during the triennium.