

1919.
NEW ZEALAND.

ANNUAL REPORT
OF THE
GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1918.

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

Government Insurance Office, Wellington, 29th July, 1919

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended the 31st December, 1918, and its position at that date. The Revenue Account, Balance-sheet, and Statement of Business are appended.

New Business and Amount in Force.—During the year 4,817 proposals were dealt with for the assurance of £1,447,125. The number of policies actually completed was 4,235, assuring £1,252,538, with annual premiums amounting to £46,778. These figures constitute a record for the Department. Twenty-eight annuities were also granted on which the purchase-money was £11,406.

The total business now in force, including 417 immediate and deferred annuities for £22,388 per annum, is 53,803 policies, bearing an annual premium income of £404,965. The sum assured, payable at death or maturity, is £13,257,682, to which have been added reversionary bonuses amounting to £1,512,861. The total business on the books thus amounts to £14,770,543.

Income.—The total income of the Department was £654,316—viz., premium income, £399,673; interest income (less land and income tax), £243,237; annuity purchase-money, £11,406.

Outgo.—During the year 711 policies matured, for £177,199, and 1,291 policies became claims by the death of policyholders, the amounts payable being £337,767. Of these claims, 540, for £107,558, represent deaths through wounds or sickness amongst the oversea Forces, and approximately 300, for £72,000, the claims arising out of the death of soldiers and civilians in New Zealand through the recent influenza epidemic. The number of claims from these two sources amount to 42 per cent. and 23 per cent. respectively of the total deaths, or 65 per cent. in all. Further influenza claims have been notified since the close of the year, and the sum payable through the epidemic will probably amount to about £90,000. The total amount paid in war claims from August, 1914, to 31st December, 1918, has been £332,821, representing 1,640 policies.

The total sum which has been paid in respect of claims by death and survival since the foundation of the Department forty-nine years ago now amounts to £7,054,732.

Accumulated Funds.—The total assurance, annuity, and endowment funds, apart from a special investment reserve of £288,825, now stand at £5,191,745.

The Balance-sheet.—On the 31st December, 1918, the total assets of the Department amounted to £5,672,981, and were invested as shown in the following statement, which also gives the distribution of the assets at the end of the previous year for purposes of comparison:—

At 31st December, 1917.		Class of Investment.	At 31st December, 1918.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
3,141,294	56·1 per cent.	Mortgages on freehold property	3,038,552	53·6 per cent.
780,976	13·9 "	Loans on policies	738,018	13·0 "
1,055,900	18·9 "	Government securities	1,250,900	22·0 "
209,277	3·7 "	Local bodies' debentures	211,711	3·7 "
134,898	2·4 "	Landed and house property	134,864	2·4 "
130,064	2·3 "	Miscellaneous assets	128,593	2·3 "
150,462	2·7 "	Cash in hand and on current account	170,343	3·0 "
5,602,871	100·0 per cent.	Total	5,672,981	100·0 per cent.

During the year the Life Branch's subscriptions to war loans were increased by £195,000, the last instalment (£50,000) of its 1917 subscription having been paid over, together with a further amount of £145,000. In addition to completing this 1918 subscription the Branch has already this year taken up a further sum of £240,000 in War Loan stock. The total amount taken up by the Branch in War Loan stock to date is £785,000, in addition to £40,000 taken up in debentures under the Finance Act, 1915.

The rate of interest realized on the mean funds, after deduction of land and income tax from interest, was £4 13s. 8d.

The Staff.—As the war has now ended, I should like to place on record the fact that fifty-eight of the Department's officers joined the Expeditionary Forces, of whom four were killed in action and twenty-three were wounded.

J. H. RICHARDSON,
Government Insurance Commissioner.

REVENUE ACCOUNT OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT FOR THE YEAR ENDED 31ST DECEMBER, 1918.

	£	s.	d.		£	s.	d.
Amount of Funds at 1st January, 1918	5,199,320	1	0	Death claims under policies, Assurance, including bonus additions ..	337,767	3	0
Renewal premiums—Assurance, Annuity, and Endowment ..	365,724	6	7	Endowment Assurances matured, including bonus additions ..	173,800	5	0
New premiums (including instalments of first year's premiums falling due in the year) ..	33,316	1	11	Endowments matured ..	3,398	10	0
Single premiums—Assurance and Endowment ..	631	15	9	Premiums returned on endowments ..	185	6	9
Consideration for Annuities ..	11,406	6	2	Bonuses surrendered for cash ..	9,936	13	7
Interest .. £273,474	7	3		Annuities ..	19,147	5	6
Less land and income tax .. 30,237	5	0		Surrenders ..	15,405	2	8
	243,237	2	8	Loans released by surrender ..	31,122	5	2
				Commission, new* .. £22,766	4	0	
				" renewal .. 2,594	8	7	
					25,860	12	7
				Expenses of management—			
				Salaries—			
				Head Office .. £16,191	3	0	
				Branch offices and agents ..	7,741	15	10
				Extra clerical assistance ..	3,969	12	1
				Medical fees and expenses ..	5,219	2	6
				Travelling-expenses ..	287	18	8
				Advertising ..	464	1	2
				Printing and stationery ..	2,251	10	11
				Rent ..	2,911	6	1
				Postage and telegrams ..	2,202	9	7
				Exchange ..	44	18	11
				General expenses ..	2,267	4	2
				Triennial expenses ..	2,216	7	1
					45,767	10	0
				Amount of funds, 31st December, 1918	5,191,744	19	5
	£5,853,635	13	8		£5,853,635	13	8

*Including Agents' allowances.

BALANCE-SHEET OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT ON 31ST DECEMBER, 1918.

<i>Liabilities.</i>			<i>Assets.</i>		
	£	s. d.		£	s. d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account)	5,191,744	19 5	Loans on policies	738,017	9 3
Claims admitted, proofs not yet completed	182,543	5 0	Government securities—		
Annuities	357	8 5	Consolidated stock ..	625,900	0 0
Commission	1,360	5 0	Debentures issued		
Medical fees	458	1 11	under the District		
Premium and other deposits ..	5,407	3 0	Railways Purchasing Act 1885 Extension and Amendment Act, 1886 ..	40,000	0 0
Fire-insurance moneys in suspense ..	1,450	0 0	Debentures issued		
Sundry accounts owing	884	4 8	under the authority of the Finance Act, 1915	40,000	0 0
Investment Fluctuation Reserve ..	288,825	6 1	New Zealand Inscribed Stock—War Loans ..	545,000	0 0
				1,250,900	0 0
			Municipal Corporation debentures ..	117,044	13 0
			County securities	8,372	9 9
			Harbour Board debentures	36,300	0 0
			Town Board debentures	26,450	0 0
			Road Board debentures	21,500	0 0
			Drainage Board debentures	2,044	1 11
			Landed and house property	133,120	13 8
			Landed and house property (leasehold) ..	1,743	14 0
			Mortgages on property	3,038,551	17 10
			Properties acquired by foreclosure ..	3,000	5 2
			Overdue premiums on policies in force ..	£4,564	8 5
			Outstanding premiums due but not overdue ..	41,353	15 7
				45,918	4 0
			Overdue interest	£2,940	17 11
			Outstanding interest due but not overdue ..	7,554	1 10
			Interest accrued but not due	66,991	16 2
				77,486	15 11
			Agents' balances	2,187	11 11
			Cash in hand and on current account ..	170,342	17 1
				£5,672,980	13 6
	£5,672,980	13 6			

Government Life Insurance Department, 23rd April, 1919.

J. H. RICHARDSON, Commissioner.

W. B. HUDSON, Secretary.

Audited and found correct.

ROBERT J. COLLINS,
Controller and Auditor-General.

Statement of Business

YEAR 1918.	TOTAL.					Whole-life and Term Assurances.				
	No.	Sum assured.	Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.	Annuities. 1. Immediate or entered upon. 2. Deferred.	No.	Sum assured.	Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.	
Policies in force at 31st December, 1917	53,058	12,884,531	1,304,243	{ 374,210 4 1 13,101 11 1 8,527 12 11 }	{ 18,858 8 1 3,265 1 2 60 10 8 }	11,277	3,468,401	689,157	{ 78,999 12 11 4,449 4 4 8,599 10 7 2,357 11 7 }	
New Business ..	4,263	1,252,538	..	{ 38,250 6 1 8,527 12 11 }	{ 1,195 1 4 60 10 8 }	1,176	363,413	..	{ 8,599 10 7 2,357 11 7 }	
Bonus allotted ..	..	..	322,090	..	..	..	..	93,547	..	
Total..	57,321	14,137,069	1,626,333	{ 412,460 10 2 21,629 4 0 }	{ 20,053 9 5 3,325 11 10 }	12,453	3,831,814	782,704	{ 87,599 3 6 6,806 15 11 }	
Policies discontinued during 1918	3,518	879,387	113,472	{ 26,376 19 4 2,809 15 0 }	{ 791 2 0 199 13 9 }	626	209,594	43,213	{ 5,094 4 3 915 15 3 }	
Total Policies in force at 31st December, 1918	53,803	13,257,682	1,512,861	{ 386,083 10 10 18,819 9 0 }	{ 19,262 7 5 3,125 18 1 }	11,827	3,622,220	739,491	{ 82,504 19 3 5,891 0 8 }	

PARTICULARS OF POLICIES DISCON-

How discontinued.		£	£	£ s. d.	£ s. d.		£	£	£ s. d.
By Death ..	1,304	290,820	45,497	{ 9,285 6 8 1,161 10 9 5,698 2 7 11 0 11 }	{ 791 2 0 133 12 3 }	361	115,887	29,567	{ 2,862 10 1 311 17 9 }
Maturity ..	711	143,398	33,351	{ 5,698 2 7 11 0 11 3,314 0 6 27 14 4 }	{ 66 1 6 .. }	61	21,558	2,955	{ 563 7 10 10 12 0 164 16 0 0 15 0 }
Surrender ..	427	107,267	7,696	{ 3,314 0 6 27 14 4 1,174 14 5 79 10 0 }	{ .. 66 1 6 }	26	8,000	105	{ 164 16 0 0 15 0 }
Cancellation ..	185	49,900	159	{ 1,174 14 5 79 10 0 .. .. }	{ .. .. .. .. }	..	..	7,594	..
Surrender of Bonus..	..	..	16,628	..	..	..	..	..	..
Lapse ..	891	287,446	9,751	{ 6,436 7 4 213 3 0 194 3 10 .. 274 4 0 1,316 16 0 }	{ }	178	63,876	2,679	{ 1,411 12 8 136 9 0 78 10 8 .. 13 7 0 456 1 6 }
Expiry of Premium..	..	250	..	{ 194 3 10 .. 274 4 0 1,316 16 0 }	{ .. .. .. .. }	..	..	..	..
Miscellaneous ..	..	306	390	{ 274 4 0 1,316 16 0 }	{ }	..	273	313	{ 13 7 0 456 1 6 }
Total ..	3,518	879,387	113,472	{ 26,376 19 4 2,809 15 0 }	{ 791 2 0 199 13 9 }	626	209,594	43,213	{ 5,094 4 3 915 15 3 }

PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE

Total issued ..	143,932	35,693,835	3,568,310	{ 1,087,434 1 11 37,526 1 3 701,350 11 1 18,706 12 3 }	{ 97,362 5 8 .. 74,974 0 2 32,998 9,944,439 1,178,741 }	44,825	13,566,659	1,918,232	{ 352,386 8 7 17,591 8 3 269,881 9 4 11,700 7 7 }
Total void ..	90,129	22,436,153	2,055,449	{ 701,350 11 1 18,706 12 3 }	{ 74,974 0 2 32,998 9,944,439 1,178,741 }	32,998	9,944,439	1,178,741	{ 269,881 9 4 11,700 7 7 }
Total in force ..	53,803	13,257,682	1,512,861	386,083 10 10	22,388 5 6	11,827	3,622,220	739,491	82,504 19 3
Extra Premiums ..	..	..	..	18,819 9 0	..	..	..	..	5,891 0 8
Reduction of Premiums by Bonus, &c. ..	..	..	..	61 13 10	..	..	..	..	53 13 6
				£404,964 13 8					
									£88,449 13 5

NOTE.—The Ordinary Premium is the premium charged

Wellington, 31st March, 1919.

at End of Year 1918.

ASSURANCES.

Endowment Assurances.

No.	Sum assured.	Reversionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
-----	--------------	-----------------------	---

Annuity Assurances.

No.	1. Sum assured. 2. Reversionary Bonuses.	Annuities. 1. Entered upon 2. Deferred.	Annual Premiums.
-----	---	---	------------------

ANNUITIES.

No.	Annual Premiums.	Annuities. 1. Immediate or entered upon. 2. Deferred.
-----	------------------	---

SIMPLE ENDOWMENTS, INVESTMENTS, ETC.

No.	1. Sum assured. 2. Reversionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
-----	---	---

TINUED DURING THE YEAR 1918.

£	£	£	s.	d.	£	£	s.	d.	£	s.	d.	£	s.	d.	£	£	s.	d.
39,415	9,067,673	613,187	285,050	0 9	64	15,022			782	7 1	401			18,858	8 1	1,900	333,435	9,372 2 10
			8,646	16 9		1,899	3,245	1 2			1	6 0 6		20 0 0				5 10 0
2,888	844,375		28,638	0 8			(+89	2 6)			27			1,105	11 10	171	44,750	998 14 10
			6,170	1 4			(-89	9 4)			1	14 0 0		150 0 0				
		227,207																
						503											833	
42,303	9,912,048	840,394	313,688	1 5	64	15,022	89	9 6	782	7 1	428			19,963	19 11	2,071	378,185	10,370 17 8
			14,816	18 1		2,402	3,155	11 10			2	20 0 6		170 0 0			833	5 10 0
2,746	638,393	69,769	20,358	4 8	5	1,200	61	0 2	69	4 8	13			730	1 10	128	30,200	855 5 9
			1,893	19 9		277	199	13 9									213	
39,557	9,273,655	770,625	293,329	16 9	59	13,822	23	9 4	713	2 5	415			19,233	18 1	1,943	347,985	9,515 11 11
			12,922	18 4		2,125	2,955	18 1			2	20 0 6		170 0 0			620	5 10 0

TINUED DURING THE YEAR 1918.

927	174,183	15,876	6,407	3 11	3	750	61	0 2	15	12 8	13			730	1 10			
			849	13 0		54	133	12 3								26	3,200	142 16 8
685	140,198	32,989	5,555	5 11													199	
			11	0 11		163										67	16,050	489 10 10
297	69,459	4,723	2,249	9 0	2	200			11	12 10								
			17	2 4		18	66	1 6								13	6,900	94 1 3
146	35,000	54	915	17 2														
			78	15 0														
		8,992				42												
691	219,520	7,058	4,903	5 1												22	4,050	121 9 7
			76	14 0													14	
			69	13 4		250			41	17 0								4 2 10
	38	77	257	10 3					0	2 2								3 4 7
			860	14 6														
2,746	638,393	69,769	20,358	4 8	5	1,200	260	13 11	69	4 8	13			730	1 10	128	30,200	855 5 9
			1,893	19 9		277											213	

DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1918.

92,011	21,296,687	1,641,574	704,856	1 5	1106	158,400	57,387	1 10	8,454	1 6	878	362	0 10	39,975	3 10	5,112	672,089	21,375 9 7
			19,914	3 0		6,833											1,666	20 10 0
52,454	12,023,032	870,949	411,526	4 8	1047	144,578	54,402	14 5	7,740	19 1	461	342	0 4	20,571	5 9	3,169	324,104	11,859 17 8
			6,991	4 8		4,713											1,046	15 0 0
39,557	9,273,655	770,625	293,329	16 9	59	13,822	2,984	7 5	713	2	417	20	0 6	19,403	18 1	1,943	347,985	9,515 11 11
						2,125											620	
			12,922	18 4														5 10 0
			8	0 4														
			£306,260	15 5														£9,521 1 11

at the true age; the Extra, the additional premium imposed for any reason whatsoever.

J. H. RICHARDSON, Commissioner.
PERCY MUTER, Actuary.

Approximate Cost of Paper.—Preparation, not given; printing (1,750 copies), £10.

By Authority: MARCUS F. MARKS, Government Printer, Wellington.—1919.

Price, 6d]

