

1925.

NEW ZEALAND

ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1924.

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

Government Insurance Office, Wellington, 24th June, 1925.

PURSUANT to the Government Life Insurance Act, 1908, I beg to make the following report upon the transactions of the Department for the year ended 31st December, 1924.

The Revenue Account, Balance-sheet, and Statement of Business are appended.

Business.—The year has been one of satisfactory all-round progress, as shown in the following comparative figures :—

	1923.	1924.
New policies issued—		
(a.) Number	4,754	5,149
(b.) Insuring	£1,581,722	£1,718,842
Business in force		
(a.) Number	60,545	61,804
(b.) Insuring (exclusive of bonus)	£16,549,451	£17,190,783
Income	£	£
(a.) Premiums	489,171	511,380
(b.) Interest	315,425	331,850
(c.) Annuity purchase-money	10,042	11,361
(d.) Total income	814,638	854,591
Outgo for claims—		
(a.) Deaths	166,797	185,777
(b.) Matured policies	235,409	229,359
Accumulated funds	6,222,485	6,448,658

Insurance without Medical Examination.—This system, which was instituted primarily to meet the difficulties of securing business in out-of-the-way localities where no doctor is available, continues to give abundant evidence of its success, a fact which testifies to the care with which the business is handled by the Department's staff both outdoor and indoor. Notwithstanding that a very large amount of this kind of business had been written, the Department had up to the end of the year been called upon to meet only two claims, totalling £450, and even these were the outcome of accidents sustained by the assured, and therefore not indicative of any weakness in the operation of the system. The claim experience is being kept under separate observation, and as soon as sufficient data have accumulated the rates of mortality will be specially investigated by the Actuary.

Interest.—The net effective rate of interest credited to the Insurance Fund, after deduction of land and income tax from interest, was £5 7s. 7d. per cent., which is slightly in excess of the yield obtained during the previous year. The constant investment of the accumulating funds of a vigorous and progressive life-assurance institution is a task of no mean magnitude, and in the face of the statutory limitation upon the Department's lending-powers, to which reference was made in my report of a year ago, the resulting interest-yield is satisfactory.

General.—The number of new policies and the amount of new assurances completed during the year constitute records in the history of the Department, and, what is even more important, the business was secured at a cost which has been excelled in point of cheapness on only one other occasion—viz., during the year 1919, when the special circumstances arising out of subscriptions to war loans conduced to the acquisition of new business at an expense-rate much lower than normal.

In view of the fact that in a life-insurance office the transaction of a larger amount of new business than usual constitutes a clog upon the profits, it is all the more noteworthy that the profit made in 1924, as disclosed by the annual valuation by the Actuary, is the largest ever shown for one year. Having regard also to the stringency of the basis upon which the liabilities are valued, the prospects for the future appear very bright

A. T. TRAVERSI, F.I.A., F.C.A.S., Commissioner.

REVENUE ACCOUNT OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT FOR THE YEAR ENDED
31ST DECEMBER, 1924.

	£	s.	d.		£	s.	d.
Amount of Funds at 1st January, 1924	6,222,484	13	0	Death claims under assurance policies, including bonus additions	185,495	12	0
Renewal premiums—Assurance, Annuity, and Endowment	458,943	11	4	Endowment Assurances matured, including bonus additions	222,962	8	6
New premiums (including instalments of first year's premiums falling due in the year)	49,481	3	10	Endowments matured	6,396	11	0
Single premiums—Assurance and Endowment	2,955	7	6	Premiums returned on endowments	281	11	1
Consideration for Annuities	11,360	11	8	Bonuses surrendered for cash	10,337	18	1
Interest and Rent	£343,216	14	2	Annuities	20,886	4	10
Less land and income tax, £8,504 12s.; property expenses, £2,861 11s. 1d.	11,366	3	1	Surrenders	35,677	2	2
	331,850	11	1	Loans released by surrender	49,883	2	9
				Commission, new*	£33,274	13	2
				„ renewal	3,242	13	4
					36,517	6	6
				Contribution to Superannuation Fund	1,200	18	4
				Expenses of management—			
				Salaries—	£	s.	d.
				Head Office	20,885	9	6
				Branch offices and agents	12,044	16	4
				Extra clerical assistance	1,156	12	5
				Medical fees and expenses	5,777	3	9
				Travelling-expenses	1,340	8	4
				Advertising	323	15	5
				Printing and stationery	2,473	16	8
				Rent	5,511	11	7
				Postage and telegrams	1,600	12	8
				Exchange	45	16	5
				General expenses	3,739	15	5
				Triennial expenses	3,878	19	1
					58,778	17	7
				Amount of funds, 31st December, 1924	6,448,658	5	7
					£7,077,075	18	5
					£7,077,075	18	5

* Including agents' allowances.

BALANCE-SHEET OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT ON 31ST DECEMBER, 1924.

<i>Liabilities.</i>			<i>Assets.</i>		
	£	s. d.		£	s. d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account)	6,448,658	5 7	Loans on policies ..		890,402 11 5
Claims admitted, proofs not yet completed	45,629	1 6	Government securities —		
Annuities	379	7 6	Consolidated stock	625,900	0 0
Commission	1,900	19 5	Debentures issued under the authority of the Finance Act, 1915	40,000	0 0
Medical fees	554	18 6	New Zealand Inscribed Stock —		
Premium and other deposits	5,184	10 11	War Loans ..	1,201,370	0 0
Sundry creditors	6,763	15 2	New Zealand Inscribed Stock—		
Accident and Fidelity Fund	1,570	0 0	Finance Act, 1919	50,000	0 0
Investment Fluctuation Reserve	202,247	1 4	New Zealand Inscribed Stock—		
			Discharged Soldiers Settlement Loan ..	110,000	0 0
			New Zealand Inscribed Stock issued under the Aid to Public Works and Land Settlement Act, 1921 ..	150,000	0 0
				2,177,270	0 0
			Municipal Corporation debentures ..	187,742	7 1
			County securities	20,551	3 8
			Harbour Board debentures	32,000	0 0
			Town Board debentures	37,171	1 8
			Road Board debentures	21,800	0 0
			Drainage Board debentures	1,922	13 10
			Power Board debentures	386,986	4 6
			Landed and house property	134,563	11 10
			Landed and house property (leasehold) ..	1,539	13 3
			Mortgages on property	2,592,866	17 8
			Properties acquired by foreclosure	4,747	11 1
			Overdue premiums on policies in force ..	7,582	13 10
			Outstanding premiums due but not overdue ..	45,071	5 11
				52,653	19 9
			Overdue interest	7,842	2 2
			Outstanding interest due but not overdue ..	7,082	7 2
			Interest accrued but not due	83,775	13 1
				98,700	2 5
			Agents' balances	4,508	9 2
			Sundry debtors	1,763	8 7
			Cash in hand and on current account ..	65,698	4 0
				£6,712,887	19 11
				£6,712,887	19 11

A. T. TRAVERSI, F.I.A., F.C.A.S., Commissioner.
G. A. KENNEDY, Secretary.

Government Life Insurance Department, 8th June, 1925.

The Audit Office, having examined the Revenue Account and Balance-sheet, and compared them with the relative books, documents, and securities, hereby certifies them to be in accordance therewith.—G. F. C. CAMPBELL, Controller and Auditor-General.

Statement of Business

TOTAL.

Whole-life and Term Assurances.

YEAR 1924.

	No.	Sum assured.	Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.	Annuit- ies. 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, 1923	60,545	16,549,451	1,357,161	{ 499,333 9 6 1,987 8 10 }	{ 20,672 12 5 2,351 6 10 }	11,372	3,916,871	615,553	{ 93,428 18 2 996 16 8 }
New business ..	5,149	1,718,842	..	{ 54,008 1 1 188 16 9 }	{ 1,399 1 7 278 7 5 }	591	298,000	..	{ 8,051 18 2 70 18 9 }
Bonuses allotted	..	..	476,958	..	..	..	..	87,888	..
Total..	65,694	18,268,293	1,834,119	{ 553,341 10 7 2,176 5 7 }	{ 22,071 14 0 2,629 14 3 }	11,963	4,214,871	703,441	{ 101,480 16 4 1,067 15 5 }
Policies discontinued during 1924	3,890	1,077,510	137,738	{ 33,000 0 8 126 9 3 }	{ 1,054 10 3 137 3 4 }	669	233,761	47,069	{ 5,638 16 11 73 18 10 }
Total policies in force at 31st December, 1924	61,804	17,190,783	1,696,381	{ 520,341 9 11 2,049 16 4 }	{ 21,017 3 9 2,492 10 11 }	11,294	3,981,110	656,372	{ 95,841 19 5 993 16 7 }

POLICIES ISSUED AND DISCON-

	No.	£	£	£ s. d.	£ s. d.	No.	£	£	£ s. d.
Policies in force at 31st December, 1923	60,545	16,549,451	1,357,161	{ 499,333 9 6 1,987 8 10 }	{ 20,672 12 5 2,351 6 10 }	11,372	3,916,871	615,553	{ 93,428 18 2 996 16 8 }
New business ..	5,149	1,718,842	..	{ 54,008 1 1 188 16 9 }	{ 1,399 1 7 278 7 5 }	591	298,000	..	{ 8,051 18 2 70 18 9 }
Bonuses allotted	..	..	476,958	..	..	..	..	87,888	..
Total..	65,694	18,268,293	1,834,119	{ 553,341 10 7 2,176 5 7 }	{ 22,071 14 0 2,629 14 3 }	11,963	4,214,871	703,441	{ 101,480 16 4 1,067 15 5 }
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Total policies in force at 31st December, 1924	61,804	17,190,783	1,696,381	{ 520,341 9 11 2,049 16 4 }	{ 21,017 3 9 2,492 10 11 }	11,294	3,981,110	656,372	{ 95,841 19 5 993 16 7 }

PARTICULARS OF POLICIES DISCON-

How discontinued.	No.	£	£	£ s. d.	£ s. d.	No.	£	£	£ s. d.
By Death ..	545	144,098	40,403	{ 4,329 5 7 57 16 0 }	{ 1,053 15 3 137 3 4 }	300	87,543	32,032	{ 2,174 12 9 48 12 8 }
Maturity ..	955	183,621	44,974	{ 7,070 5 2 5 1 2 }	..	..	..	..	..
Surrender ..	1,042	294,640	19,622	{ 9,031 4 3 22 13 5 }	..	124	42,831	5,859	{ 924 8 11 8 16 2 }
Cancellation ..	216	62,350	87	{ 1,810 12 11 8 15 0 }	..	12	5,600	..	{ 147 5 1 5 0 0 }
Surrender of bonus ..	..	..	17,735	..	..	..	..	6,034	..
Lapse ..	1,130	391,225	14,421	{ 10,377 19 8 15 12 0 }	..	231	96,525	2,740	{ 2,325 15 9 6 10 0 }
Expiry of policy ..	2	1,100	..	{ 15 4 8 }	..	2	1,100	..	{ 15 4 8 }
Expiry of premium ..	..	250	..	{ 176 12 7 11 11 8 }	..	..	..	..	{ 31 11 9 }
Miscellaneous ..	..	226	496	{ 188 15 10 5 0 0 }	{ 0 15 0 }	..	162	404	{ 19 18 0 5 0 0 }
Total discontinued during year 1924	3,890	1,077,510	137,738	{ 33,000 0 8 126 9 3 }	{ 1,054 10 3 137 3 4 }	669	233,761	47,069	{ 5,638 16 11 73 18 10 }

PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE

Total issued ..	172,544	45,189,713	4,384,655	{ 1,389,342 16 4 39,224 5 5 }	{ 107,264 5 2 48,452 15 355,159 2,088,867 }	{ 399,675 15 11 18,113 1 3 }
Total void ..	110,740	27,998,930	2,688,274	{ 869,001 6 5 37,174 9 1 }	{ 33,754 10 6 37,158 11,374,049 1,432,495 }	{ 303,833 16 6 17,119 4 8 }
Total in force ..	61,804	17,190,783	1,696,381	520,341 9 11	23,509 14 8	11,294 3,981,110 656,372 95,841 19 5
Extra Premiums ..	..	..	..	2,049 16 4	..	.. 993 16 7
				£522,391 6 3		£96,835 16 0

NOTE.—The "ordinary" premium is the premium charged

Wellington, 1st June, 1925.

at End of Year 1924.

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.	Annuities. 1. Immediate or entered upon. 2. Deferred.	Annual Premiums.	No.	Annual Premiums.	Annuities. 1. Immediate or entered upon. 2. Deferred.	No.	1. Sum assured. 2. Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.

TINUED DURING THE YEAR 1924.

£	£	£ s. d.	£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£	£ s. d.
46,646	12,242,193	740,116	{ 394,848 15 10 990 12 2 }	46	{ 10,535 266 12 10 1,492 2,051 6 10 }	572 18 8	{ 413 .. 20,405 19 7 2 91 12 6 300 0 0 }	2,066	{ 379,852 10,391 6 4 }
4,409	1,385,692	..	{ 44,633 13 9 117 18 0 }	..	{ (+)21 12 7 (-)21 12 7 }	..	{ 16 .. 1,377 9 0 2 426 13 4 300 0 0 }	131	{ 35,150 895 15 10 }
..	..	369,454	..	..	454 ..	..	..	..	19,162 ..
51,055	13,627,885	1,109,570	{ 439,482 9 7 1,108 10 2 }	46	{ 10,535 288 5 5 1,946 2,029 14 3 }	572 16 8	{ 429 .. 21,783 8 7 4 518 5 10 600 0 0 }	2,197	{ 415,002 11,287 2 2 19,162 .. }
3,050	815,149	88,947	{ 26,417 6 6 52 10 5 }	1	{ 1,350 .. 236 137 3 4 }	93 12 0	{ 21 .. 1,054 10 3 }	149	{ 27,250 850 5 3 1,486 .. }
48,005	12,812,736	1,020,623	{ 413,065 3 1 1,055 19 9 }	45	{ 9,185 288 5 5 1,710 1,892 10 11 }	479 4 8	{ 408 .. 20,728 18 4 4 518 5 10 600 0 0 }	2,048	{ 387,752 10,436 16 11 17,676 .. }

TINUED DURING THE YEAR 1924.

223	55,455	8,227	{ 2,078 10 10 9 3 4 }	1	{ 1,100 .. 144 137 3 4 }	76 2 0	{ 21 .. 1,053 15 3 .. .. }	..	..
908	178,221	43,943	{ 6,821 18 3 5 1 2 }	..	{ .. 43 .. .. .. }	..	..	47	{ 5,400 248 6 11 988 .. }
841	237,659	13,763	{ 7,645 5 4 13 17 3 }	..	..	..	..	77	{ 14,150 461 10 0 }
200	55,450	87	{ 1,623 11 4 3 15 0 }	..	..	..	..	4	{ 1,300 39 16 6 }
..	..	11,652	..	..	49 ..	..	..	..	..
878	288,300	11,183	{ 7,952 14 7 9 2 0 }	..	..	..	..	21	{ 6,400 99 9 4 498 .. }
..
..	..	..	{ 132 10 10 11 11 8 }	..	{ 250 }	12 10 0	..	..	..
..	64	92	{ 162 15 4 .. .. }	..	..	5 0 0	..	..	{ 1 2 6 }
3,050	815,149	88,947	{ 26,417 6 6 52 10 5 }	1	{ 1,350 .. 236 137 3 4 }	93 12 0	{ 21 .. 1,054 10 3 }	149	{ 27,250 850 5 3 1,486 .. }

DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1924.

115832	28,766,415	2,264,632	{ 952,191 8 11 21,090 14 2 }	1,106	{ 160,450 349 5 7 7,671 57148 10 11 }	8,619 15 8	1,026	866 6 8	49,766 8 8	6,128	{ 907,689 27,989 9 2 23,485 20 10 0 }
67,827	15,953,679	1,244,009	{ 539,126 5 10 20,034 14 5 }	1,061	{ 151,265 61 0 2 5,961 55256 0 0 }	8,140 11 0	614	348 0 10	28,437 10 4	4,080	{ 519,937 17,552 12 3 5,809 20 10 0 }
48,005	12,812,736	1,020,623	413,065 3 1	45	{ 9,185 288 5 5 1,710 1,892 10 11 }	479 4 8	412	518 5 10	21,328 18 4	2,048	{ 387,752 10,436 16 11 17,676 .. }
..	..	..	1,055 19 9	..	..	..	..	..	..	..	..
			£414,121 2 10				£479 4 8	£518 5 10	£10,436 16 11		

at the true age; the "extra," the additional premium charged for any reason whatsoever.

A. T. TRAVERSI, F.I.A., F.C.A.S., Commissioner.
C. GOSTELOW, F.I.A., Actuary.

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at End of Year 1934

ASSURANCES

Government Assurances

Private Assurances

ANNUITIES

SIMPLE INVESTMENTS ETC

TERMINATED DURING THE YEAR 1934

No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary
1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000
2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000
3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000
4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000
5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000

TERMINATED DURING THE YEAR 1934

No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary
1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000
2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000
3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000
4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000
5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000

DEPARTURES TO 31 DECEMBER 1934

No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary	No.	Assured	Policy No.	Amount	Beneficiary
1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000	1	10,000	100	10,000	10,000
2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000	2	10,000	100	10,000	10,000
3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000	3	10,000	100	10,000	10,000
4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000	4	10,000	100	10,000	10,000
5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000	5	10,000	100	10,000	10,000

At the close of the year 1934, the total amount of the fund was £1,000,000.

A. T. TRAVERS, F.I.A., F.C.S., Commissioner.
G. GOSWAMI, F.I.A., Secretary.

Approved by the Council of the Society, 1934, at the meeting held on 11th December 1934.

W. A. GOSWAMI, Government Printer, Wellington—1935.