

1927.
NEW ZEALAND.

ANNUAL REPORT
OF THE
GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1926.

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

Government Insurance Office, Wellington, 31st May, 1927.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended 31st December, 1926, and its position at that date. The Revenue Account, Balance-sheet, and Statement of Business are appended.

New Business and Amount of Business in Force.—The year has been one of steady and satisfactory progress, 5,710 policies being issued for assurances totalling £1,883,705, with annual premiums amounting to £60,608 13s. 10d. Twenty-one annuities were granted, the purchase-money totalling £13,683.

The total business now in force (including immediate and deferred annuities for £24,996 per annum) is 65,396 policies, bearing an annual premium income of £575,420. The sum assured is £18,743,397, to which reversionary bonuses totalling £1,475,007 have been added. The total business on the books therefore exceeds twenty millions.

Income.—The total income of the Department for the year was £951,897—viz., premium income £566,440, interest and rents (after payment of land and income tax) £371,774, and annuity purchase-money £13,683.

Outgo for Claims.—During the year 971 policies matured for a total of £237,267, and 537 policies became claims by death of the assured, the amounts payable aggregating £179,988.

Accumulated Funds.—The total Assurance Fund amounts to £7,029,584, an increase of £298,466 for the year. The Department also has a special Investment Fluctuation Reserve Fund amounting to £206,099.

Interest.—The effective rate of interest realized after deduction of land and income tax from interest was £5 11s. 1d. per cent., an increase of 2s. per cent. over the rate of 1925, and 3s. 6d. per cent. over the rate of 1924.

Expense Ratios.—The expense ratios for the past three years are as follows:—

	1924.	1925.	1926.
(a) Total expenses to total income	11·292	11·081	10·533
(b) Total expenses to total premium income	18·460	17·998	17·282

Triennial Investigation.—The valuation of the Department's assurance and annuity liabilities on the 31st December last has been completed by the Government Actuary, and the results are set out in his report. The net surplus disclosed by his investigation (the basis of which he states is

probably stronger than that of any Australasian life office) amounted to (not including interim bonuses paid during the triennium) £446,792. Of this sum £430,363 has been allotted in the shape of compound reversionary bonuses upon the sum assured and existing bonuses, providing reversionary bonuses of £664,400. The resultant bonuses on whole-life and endowment assurances range from £1 13s. 4d. per cent. per annum of the sum assured in the case of new policies to £3 per cent. per annum in the case of policies with longer duration.

The volume of divisible profit shows a steady upward growth, as will be seen by a comparison of the amounts allotted as bonus at the two previous triennial divisions, namely: 1920, £217,706; 1923, £317,563; 1926, £430,363.

General.—The progress of the Department during the year has been of a satisfactory character. New business has been well maintained; there has been an increase in the effective rate of interest earned, and decreases in the expense ratios. The funds are being kept closely invested, and a perusal of the balance-sheet will show that the Department is a not unimportant factor in the progress of New Zealand. The whole of the funds, now over seven millions, are invested in the Dominion and in securities of a nature which assist in the development of the country to a very considerable extent.

A. E. ALLISON, Commissioner.

Statement of Business

YEAR 1926.	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 ISSUED AND DISCON-										
Policies in force at 31st December, 1925	63,775	18,008,402	1,584,927	{ 547,850 18 8 2,105 6 4 }	{ 22,407 11 0 2,247 14 8 }	11,259	4,008,328	616,887	{ 97,761 13 2 984 5 9 }	
New business	5,710	1,883,705	..	{ 60,477 4 5 131 9 5 }	{ 1,599 15 4 }	462	256,205	..	{ 7,755 12 8 41 19 9 }	
Total.. ..	69,485	19,892,107	1,584,927	{ 608,328 3 1 2,236 15 9 }	{ 24,007 6 4 2,247 14 8 }	11,721	4,264,533	616,887	{ 105,517 5 10 1,026 5 6 }	
Policies discontinued during 1926	4,089	1,148,710	109,920	{ 35,008 14 6 136 13 6 }	{ 1,149 13 0 108 12 0 }	667	257,292	40,452	{ 6,439 12 1 74 3 5 }	
Total policies in force at 31st December, 1926	65,396	18,743,397	1,475,007	{ 573,319 8 7 2,100 2 3 }	{ 22,857 13 4 2,139 2 8 }	11,054	4,007,241	576,435	{ 99,077 13 9 952 2 1 }	
PARTICULARS OF POLICIES DISCON-										
How discontinued.										
By Death	537	138,886	36,872	{ 4,203 16 6 52 13 1 }	{ 1,258 5 0 }	288	87,854	30,755	{ 2,230 8 3 44 9 7 }	
Maturity	971	188,916	40,976	{ 7,227 6 6 16 9 11 }	{ .. .. .. .. }	..	..	..	{ .. .. .. .. }
Surrender	1,624	493,125	31,431	{ 14,395 9 4 45 18 11 }	{ }	252	103,055	9,622	{ 2,493 8 9 18 5 0 }	
Cancellation	180	51,700	..	{ 1,476 15 10 12 3 7 }	{ }	10	4,900	..	{ 114 2 3 }	
Lapse	777	276,083	641	{ 7,705 6 4 9 8 0 }	{ (-)108 12 0 (+)108 12 0 }	117	61,483	75	{ 1,601 12 10 11 8 10 }	
Total discontinued during year 1926	4,089	1,148,710	109,920	{ 35,008 14 6 136 13 6 }	{ 1,149 13 0 108 12 0 }	667	257,292	40,452	{ 6,439 12 1 74 3 5 }	
PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE										
Total issued	185,064	49,241,131	4,384,742	{ 1,516,774 8 3 39,970 11 3 }	{ 110,913 19 6 49,674 15,958,714 2,088,868 }				{ 416,749 19 0 18,465 12 11 }	
Total void	119,668	30,497,734	2,909,735	{ 943,454 19 8 37,870 9 0 }	{ 35,917 3 6 38,620 11,951,473 1,512,433 }				{ 317,672 5 3 17,513 10 10 }	
Total in force	65,396	18,743,397	1,475,007	{ 573,319 8 7 2,100 2 3 }	{ 24,996 16 0 11,054 4,007,241 576,435 }				{ 99,077 13 9 952 2 1 }	
Extra Premiums .. ..	..	..	..	{ 2,100 2 3 }	{ }				{ 952 2 1 }	
				£575,419 10 10						
						£100,029 15 10				

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

at End of Year 1926.

ASSURANCES.

Endowment Assurances.

No.	Sum assured.	Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
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Annuity Assurances.

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

No.	Annual Premiums.	Annuities. 1. Immediate or entered upon. 2. Deferred.
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SIMPLE ENDOWMENTS, INVESTMENTS, ETC.

No.	1. Sum assured. 2. Rever- sionary Bonuses.	Annual Premiums. 1. Ordinary. 2. Extra.
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TINUED DURING THE YEAR 1926.

£	£	£ s. d.	£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£	£ s. d.
50,007 13,598,087	950,308	438,687 4 9 1,121 0 7	43	7,185 1,360	464 0 8 1,647 14 8	374 5 5	417 518 5 10	21,943 10 4 600 0 0	2,049	394,802 10,509 9 6 16,372 ..
5,061 1,589,150	..	51,779 12 3 88 10 2	..	..	..	..	21 ..	1,599 15 4 ..	166	38,350 941 19 6 .. 0 19 6
55,068 15,187,237	950,308	490,466 17 0 1,209 10 9	43	7,185 1,360	464 0 8 1,647 14 8	374 5 5	438 518 5 10	23,543 5 8 600 0 0	2,215	433,152 11,451 9 0 16,372 0 19 6
3,207 851,768	67,816	27,471 17 2 62 10 1	..	350 177	(-)108 12 0 (+)108 12 0	34 17 8	31 ..	1,258 5 0 ..	184	39,300 1,062 7 7 1,475 ..
51,861 14,335,469	882,492	462,994 19 10 1,147 0 8	43	6,835 1,183	572 12 8 1,539 2 8	339 7 9	407 518 5 10	22,285 0 8 600 0 0	2,031	393,852 10,389 1 5 14,897 0 19 6

TINUED DURING THE YEAR 1926.

212 50,282	6,117	1,950 17 9 8 3 6	..	..	..	..	31 ..	1,258 5 0 ..	6	750 22 10 6 ..
922 183,166	39,749	6,987 4 9 16 9 11	..	..	..	..	.. ..	..	49	5,750 240 1 9 1,050 ..
1,284 369,520	21,800	11,327 18 3 27 13 11	..	..	..	..	.. ..	..	88	20,550 574 2 4 ..
167 46,400	..	1,351 5 11 12 3 7	..	..	..	..	.. ..	..	3	400 11 7 8 ..
622 202,400	141	5,854 10 6 (-) 2 0 10	..	350 ..	(-)108 12 0 (+)108 12 0	34 17 8	.. ..	..	38	11,850 214 5 4 425 ..
3,207 851,768	67,816	27,471 17 2 62 10 1	..	350 177	(-)108 12 0 (+)108 12 0	34 17 8	31 ..	1,258 5 0 ..	184	39,300 1,062 7 7 1,475 ..

DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1926.

126716 32,119,828 2,264,718	1060277 3 6 21,483 8 10	1,106	160,450 7,671	57,497 16 6 8,619 15 8	1,071	866 6 8 53,416 3 0	6,497	1002139 30,261 3 5 23,485 21 9 6
74,855 17,784,359 1,382,226	597,282 3 8 20,336 8 2	1,063	153,615 6,488	55,386 1 2 8,280 7 11	664	348 0 10 30,531 2 4	4,466	608,287 19,872 2 0 8,588 20 10 0
51,861 14,335,469 882,492	462,994 19 10	43	6,835 1,183	2,111 15 4 339 7 9	407	518 5 10 22,885 0 8	2,031	393,852 10,389 1 5 14,897 ..
.. ..	1,147 0 8	..	..	..	..	..	..	0 19 6
£164,142 0 6		£389 7 9		£518 5 10		£10,390 0 11		

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

A. E. ALLISON, Commissioner.

End of Year 1956.

ASSURANCES		ANNUITIES		SIMPLE ENDOWMENTS, ETC.	
Amount	Number	Amount	Number	Amount	Number
100,000	1	100,000	1	100,000	1
50,000	2	50,000	2	50,000	2
25,000	4	25,000	4	25,000	4
12,500	8	12,500	8	12,500	8
6,250	16	6,250	16	6,250	16
3,125	32	3,125	32	3,125	32
1,562	64	1,562	64	1,562	64
781	128	781	128	781	128
390	256	390	256	390	256
195	512	195	512	195	512
97	1024	97	1024	97	1024
48	2048	48	2048	48	2048
24	4096	24	4096	24	4096
12	8192	12	8192	12	8192
6	16384	6	16384	6	16384
3	32768	3	32768	3	32768
1	65536	1	65536	1	65536
0.5	131072	0.5	131072	0.5	131072
0.25	262144	0.25	262144	0.25	262144
0.125	524288	0.125	524288	0.125	524288
0.0625	1048576	0.0625	1048576	0.0625	1048576
0.03125	2097152	0.03125	2097152	0.03125	2097152
0.015625	4194304	0.015625	4194304	0.015625	4194304
0.0078125	8388608	0.0078125	8388608	0.0078125	8388608
0.00390625	16777216	0.00390625	16777216	0.00390625	16777216
0.001953125	33554432	0.001953125	33554432	0.001953125	33554432
0.0009765625	67108864	0.0009765625	67108864	0.0009765625	67108864
0.00048828125	134217728	0.00048828125	134217728	0.00048828125	134217728
0.000244140625	268435456	0.000244140625	268435456	0.000244140625	268435456
0.0001220703125	536870912	0.0001220703125	536870912	0.0001220703125	536870912
0.00006103515625	1073741824	0.00006103515625	1073741824	0.00006103515625	1073741824
0.000030517578125	2147483648	0.000030517578125	2147483648	0.000030517578125	2147483648
0.0000152587890625	4294967296	0.0000152587890625	4294967296	0.0000152587890625	4294967296
0.00000762939453125	8589934592	0.00000762939453125	8589934592	0.00000762939453125	8589934592
0.000003814697265625	17179869184	0.000003814697265625	17179869184	0.000003814697265625	17179869184
0.0000019073486328125	34359738368	0.0000019073486328125	34359738368	0.0000019073486328125	34359738368
0.00000095367431640625	68719476736	0.00000095367431640625	68719476736	0.00000095367431640625	68719476736
0.000000476837158203125	137438953472	0.000000476837158203125	137438953472	0.000000476837158203125	137438953472
0.0000002384185791015625	274877906944	0.0000002384185791015625	274877906944	0.0000002384185791015625	274877906944
0.00000011920928955078125	549755813888	0.00000011920928955078125	549755813888	0.00000011920928955078125	549755813888
0.000000059604644775390625	1099511627776	0.000000059604644775390625	1099511627776	0.000000059604644775390625	1099511627776
0.0000000298023223876953125	2199023255552	0.0000000298023223876953125	2199023255552	0.0000000298023223876953125	2199023255552
0.0000000149011611938	4398046511104	0.0000000149011611938	4398046511104	0.0000000149011611938	4398046511104
0.00000000745058059690625	8796093022208	0.00000000745058059690625	8796093022208	0.00000000745058059690625	8796093022208
0.000000003725290298453125	17592186044416	0.000000003725290298453125	17592186044416	0.000000003725290298453125	17592186044416
0.0000000018626451492265625	35184372088832	0.0000000018626451492265625	35184372088832	0.0000000018626451492265625	35184372088832
0.00000000093132257461328125	70368744177664	0.00000000093132257461328125	70368744177664	0.00000000093132257461328125	70368744177664
0.000000000465661287306640625	140737488355328	0.000000000465661287306640625	140737488355328	0.000000000465661287306640625	140737488355328
0.0000000002328306436533203125	281474976710656	0.0000000002328306436533203125	281474976710656	0.0000000002328306436533203125	281474976710656
0.00000000011641532182666015625	562949953421312	0.00000000011641532182666015625	562949953421312	0.00000000011641532182666015625	562949953421312
0.000000000058207660913330078125	1125899906842624	0.000000000058207660913330078125	1125899906842624	0.000000000058207660913330078125	1125899906842624
0.0000000000291038304566650390625	2251799813685248	0.0000000000291038304566650390625	2251799813685248	0.0000000000291038304566650390625	2251799813685248
0.00000000001455191522833251953125	4503599627370496	0.00000000001455191522833251953125	4503599627370496	0.00000000001455191522833251953125	4503599627370496
0.000000000007275957614166259765625	9007199254740992	0.000000000007275957614166259765625	9007199254740992	0.000000000007275957614166259765625	9007199254740992
0.0000000000036379788070831298828125	18014398509481984	0.0000000000036379788070831298828125	18014398509481984	0.0000000000036379788070831298828125	18014398509481984
0.00000000000181898940354156494140625	36028797018963968	0.00000000000181898940354156494140625	36028797018963968	0.00000000000181898940354156494140625	36028797018963968
0.000000000000909494701770782470703125	72057594037927936	0.000000000000909494701770782470703125	72057594037927936	0.000000000000909494701770782470703125	72057594037927936
0.0000000000004547473508853912353515625	144115188075855872	0.0000000000004547473508853912353515625	144115188075855872	0.0000000000004547473508853912353515625	144115188075855872
0.00000000000022737367544269561767578125	288230376151711744	0.00000000000022737367544269561767578125	288230376151711744	0.00000000000022737367544269561767578125	288230376151711744
0.000000000000113686837721347808837890625	576460752303423488	0.000000000000113686837721347808837890625	576460752303423488	0.000000000000113686837721347808837890625	576460752303423488
0.0000000000000568434188606739044189453125	1152921504606846976	0.0000000000000568434188606739044189453125	1152921504606846976	0.0000000000000568434188606739044189453125	1152921504606846976
0.00000000000002842170943033695220947265625	2305843009213693952	0.00000000000002842170943033695220947265625	2305843009213693952	0.00000000000002842170943033695220947265625	2305843009213693952
0.000000000000014210854715168476104736328125	4611686018427387904	0.000000000000014210854715168476104736328125	4611686018427387904	0.000000000000014210854715168476104736328125	4611686018427387904
0.0000000000000071054273575842380523681640625	9223372036854775808	0.0000000000000071054273575842380523681640625	9223372036854775808	0.0000000000000071054273575842380523681640625	9223372036854775808
0.00000000000000355271367879211902618408203125	18446744073709551616	0.00000000000000355271367879211902618408203125	18446744073709551616	0.00000000000000355271367879211902618408203125	18446744073709551616
0.00000000000000177635683939605951309204096	36893488147419103232	0.00000000000000177635683939605951309204096	36893488147419103232	0.00000000000000177635683939605951309204096	36893488147419103232
0.00000000000000088817841969802975654602048	73786976294838206464	0.00000000000000088817841969802975654602048	73786976294838206464	0.00000000000000088817841969802975654602048	73786976294838206464
0.00000000000000044408920984901487827301024	147573952589676412928	0.00000000000000044408920984901487827301024	147573952589676412928	0.00000000000000044408920984901487827301024	147573952589676412928
0.0000000000000002220446049245074391365056	295147905179352825856	0.0000000000000002220446049245074391365056	295147905179352825856	0.0000000000000002220446049245074391365056	295147905179352825856
0.0000000000000001110223024622537195682528	590295810358705651712	0.0000000000000001110223024622537195682528	590295810358705651712	0.0000000000000001110223024622537195682528	590295810358705651712
0.0000000000000000555111512311268597841264	1180591620717411303424	0.0000000000000000555111512311268597841264	1180591620717411303424	0.0000000000000000555111512311268597841264	1180591620717411303424
0.0000000000000000277555756155634298920632	2361183241434822606848	0.0000000000000000277555756155634298920632	2361183241434822606848	0.0000000000000000277555756155634298920632	2361183241434822606848
0.0000000000000000138777878077817149460316	4722366482869645213696	0.0000000000000000138777878077817149460316	4722366482869645213696	0.0000000000000000138777878077817149460316	4722366482869645213696
0.0000000000000000069388939038908574730158	9444732965739290427392	0.0000000000000000069388939038908574730158	9444732965739290427392	0.0000000000000000069388939038908574730158	9444732965739290427392
0.0000000000000000034694469519454287365079	18889465931478580854784	0.0000000000000000034694469519454287365079	18889465931478580854784	0.0000000000000000034694469519454287365079	18889465931478580854784
0.0000000000000000017347234759727143682539	37778931862957161709568	0.0000000000000000017347234759727143682539	37778931862957161709568	0.0000000000000000017347234759727143682539	37778931862957161709568
0.0000000000000000008673617379863571841269	75557863725914323419136	0.0000000000000000008673617379863571841269	75557863725914323419136	0.0000000000000000008673617379863571841269	75557863725914323419136
0.0000000000000000004336808689931785920634	151115727451828646838272	0.0000000000000000004336808689931785920634	151115727451828646838272	0.0000000000000000004336808689931785920634	151115727451828646838272
0.0000000000000000002168404344965892960317	302231454903657293676544	0.0000000000000000002168404344965892960317	302231454903657293676544	0.0000000000000000002168404344965892960317	302231454903657293676544
0.0000000000000000001084202172482946480158	604462909807314587353088	0.0000000000000000001084202172482946480158	604462909807314587353088	0.0000000000000000001084202172482946480158	604462909807314587353088
0.0000000000000000000542101086241473240079	1208925819614629174706176	0.0000000000000000000542101086241473240079	1208925819614629174706176	0.0000000000000000000542101086241473240079	1208925819614629174706176
0.0000000000000000000271050543120736620039	2417851639229258349412352	0.0000000000000000000271050543120736620039	2417851639229258349412352	0.0000000000000000000271050543120736620039	2417851639229258349412352
0.0000000000000000000135525271560368310019	4835703278458516698824704	0.0000000000000000000135525271560368310019	4835703278458516698824704	0.0000000000000000000135525271560368310019	4835703278458516698824704
0.0000000000000000000067762635780184155009	9671406556917033397649408	0.0000000000000000000067762635780184155009	9671406556917033397649408	0.0000000000000000000067762635780184155009	9671406556917033397649408
0.0000000000000000000033881317890092077504	193				

CONFIDENTIAL

GOVERNMENT INSURANCE DEPARTMENT.

S T A T E M E N T S

IN CONNECTION WITH THE VALUATION OF LIABILITIES (FOURTH AND FIFTH SCHEDULES)

FOR THE

TRIENNium ENDING 31ST DECEMBER, 1926.

Presented to both Houses of the General Assembly pursuant to Section 38 of the Government Life Insurance Act, 1908.

GOVERNMENT INSURANCE DEPARTMENT.

STATEMENTS

IN CONNECTION WITH THE VALUATION OF LIABILITIES (FOURTH AND FIFTH SCHEDULES)

FOR THE

TRIENNIMUM ENDING 31st DECEMBER 1926.

Presented to both Houses of the General Assembly pursuant to Section 2 of the Government Life Insurance Act, 1902.



REPORT BY THE GOVERNMENT ACTUARY
RESPECTING THE
VALUATION OF THE LIABILITIES
UNDER LIFE POLICIES AND ANNUITIES
OF THE
NEW ZEALAND
Government Insurance Department,

In terms of Section 36 of the Government Life Insurance Act, 1908.

FOURTH SCHEDULE.

I.

THE date up to which the valuation was made was the 31st December, 1926.

II.

The principles upon which the valuation and distribution of profits were made were as follows :—

- (1) *Principles of Valuation.*—In making the valuation no credit whatever has been taken for any loadings or extra premiums, and in no case has there been valued for inclusion among the assets a valuation premium greater than the pure premium derived from the British Offices OM Table with 3 per cent. interest. The liability has been ascertained by taking the difference between the present value of the sums assured (including reversionary bonuses) and the present value of the valuation premiums. Where the original premiums have been reduced by the application of amounts received in consideration of the surrender of bonuses or former policies the valuation premiums have been reduced by an equal amount. In all cases where an extra premium was payable the policy has been valued at the true age, and a full proportion has been reserved for the unexpired risk for which the extra premium had been paid. Adequate extra reserves have been made for limited-premium policies and the immediate payment of claims in the case of whole-life assurances, and allowance has been made for the actual incidence of the premium income. Endowments have been valued as sums certain payable at the end of their respective terms, and mortality has only been taken into consideration where the premiums are payable during the joint lives of the child and purchaser, 3 per cent. interest being used.

FOURTH SCHEDULE.

Annuities have been valued by the *a (f)* and *a (m)* Annuity Tables deduced from the mortality of British Annuitants, 1900–1920, using 3 per cent. interest. In the case of annuity assurances the value at the age of entering upon the annuity has been computed by the above-mentioned Annuity Tables and treated as an endowment payable at the specified age, which has then been valued, in combination with the insurance portion of the contract, by the OM Table, with 3 per cent. interest.

Policies have been valued in groups where practicable.

- (2) *Principles of Distribution of Surplus.*—The divisible surplus is distributed among the policyholders entitled to participate as a compound reversionary bonus per cent. on sums assured and existing bonuses, for each premium paid since the last division, the rate of such bonus for each class of assurance being determined as far as practicable by the profit earned. An interim bonus is also paid, at the same rate, in respect of those policies which may be surrendered or become claims before the next distribution of surplus. The profit from favourable mortality in the General Section and the Temperance Section respectively has been estimated and specially divided among the members of the respective sections. The result is that Temperance policies will, on this occasion, receive compound reversionary bonuses at the same rate as General policies which are like them in all other respects.

The divisible surplus has been converted into reversionary bonuses by means of the OM Table of Mortality with 3 per cent. interest, the reversion for a continuous assurance having been used for whole-life policies.

III.

The Tables of Mortality used in the Valuation were,—

- (1) For Assurances, the OM (British Offices) Table ;
- (2) For Annuities, the *a (f)* and *a (m)* Annuity Tables deduced from the mortality of British Annuitants, 1900–1920.

IV.

The rate of interest assumed in the valuation was 3 per cent.

V.

The whole of the loading, or the difference between the premiums payable to the Office and the valuation premiums, amounting to £90,016 per annum and valued at £1,184,906, has been reserved for future expenses and profits; and in the case of limited-premium and paid-up policies, where the loading as well as the risk-premium is payable for a limited period only, a further reserve of £11,411 has been made to provide for expenses and profits when the premiums shall have ceased. A reserve of £50,365 has also been set aside for future expenses under certain tables. The sum total of the provision for future expenses and profits is equivalent to approximately 17·5 per cent. of the value of the Office premiums.

VI.

The Consolidated Revenue Account for the three years that have elapsed since the last valuation is given on page 11.

VII.

1. The liabilities of the Department under life policies and annuities at the date of the valuation, showing the number of policies, the sums assured, and the amount of premiums payable annually under each class of policies, both with and without participation in profits, will be found in detail in the Valuation Summary given on pages 12 and 13.

FOURTH SCHEDULE.

CONSOLIDATED REVENUE ACCOUNT

OF THE

GOVERNMENT INSURANCE DEPARTMENT

FOR THE PERIOD COMMENCING 1ST JANUARY, 1924, AND ENDING 31ST DECEMBER 1926.

	£	s.	d.		£	s.	d.
Amount of Funds on 1st January, 1924 ..	6,222,484	13	0	Death Claims under Policies, Assurances, including Bonus Additions ..	547,213	4	0
Renewal Premiums	1,438,732	14	10	Endowment Assurances matured, including Bonus Additions ..	698,436	18	0
New Premiums	164,167	7	2	Endowments matured ..	19,970	3	0
Single Premiums	12,493	2	3	Premiums returned on Endowments ..	682	18	1
Consideration for Annuities granted ..	47,835	9	8	Bonuses surrendered for Cash ..	18,292	17	3
Interest	1,095,724	10	4	Annuities	64,904	7	6
Less Land and Income Tax, £31,339 4s.; Property Expenses, &c., £10,977 5s. 2d.	42,316	9	2	Surrenders	103,974	0	3
	1,053,408	1	2	Loans released by Surrender ..	148,451	10	6
				Commission, New* ..	108,224	5	9
				„ Renewal ..	10,705	1	10
					118,929	7	7
				Expenses of Management—			
				Salaries, Head Office ..	67,500	13	9
				Salaries, Branch Offices and Agents ..	34,556	0	9
				Extra Clerical Assistance ..	5,435	8	1
				Medical Fees and Expenses ..	17,482	10	7
				Travelling-expenses ..	3,466	19	6
				Advertising ..	788	15	11
				Printing and Stationery ..	6,579	6	4
				Rent ..	16,804	16	7
				Postage and Telegrams ..	4,695	7	11
				Exchange ..	126	7	3
				General Expenses ..	11,889	0	2
				Triennial Expenses ..	4,378	19	1
				Payment to Government Actuary's Department ..	1,906	10	10
				Contribution to Superannuation Fund ..	3,071	9	0
					178,682	5	9
				Transfer to Investment Fluctuation Reserve ..	10,000	0	0
				Amount of Funds on 31st December, 1926 ..	7,029,583	16	2
	£8,939,121	8	1		£8,939,121	8	1

*Including Agents' allowances.

VALUATION BALANCE-SHEET

OF THE

GOVERNMENT INSURANCE DEPARTMENT

As at 31st December, 1926.

Dr.	£		Cr.	£
To Net value of Liabilities (as per Valuation Summary)	6,582,792		By Accumulated Funds (as per Consolidated Revenue Account)	7,029,584
Surplus	446,792			
	£7,029,584			£7,029,584

FOURTH SCHEDULE.

SUMMARY AND VALUATION OF THE POLICIES OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT AS AT 31ST DECEMBER, 1926.

DESCRIPTION OF TRANSACTIONS.	PARTICULARS OF POLICIES FOR VALUATION.				VALUES— (Assurances: On Table, 3 % Interest. Annuities: <i>a(f)</i> and <i>a(m)</i> Tables deducted from Mortality of British Annuitants, 1900-1920, 3 % Interest.			
	Number of Policies.	Sums assured and Bonuses.	Office Yearly Premiums.	Net Premiums.	Sums assured and Bonuses.	Office Yearly Premiums.	Net Premiums.	Net Liability.
ASSURANCES.								
I.—With Participation in Profits.								
Whole-life Assurances—Uniform Premiums	4,916	1,896,174	30,968	25,614	1,416,538	254,344	208,452	1,208,086
“ Limited, Single, and Commuted Premiums	325	174,118	28	24	136,662	122	100	136,562
“ Limited, Single, and Commuted Premiums with extra Profits	63	30,550	1,013	895	16,744	18,226	15,996	748
Endowment Assurances—Uniform Premiums	38,759	11,293,724	359,215	297,669	6,781,099	4,556,588	3,726,868	3,054,231
“ Limited, Single, and Commuted Premiums	363	154,699	3,845	3,182	84,352	40,205	32,947	51,405
“ With extra Profits	239	70,531	2,683	2,383	49,507	35,482	31,445	18,062
Double Endowment Assurances—Uniform Premiums	11,811	3,527,956	92,189	81,286	2,138,550	1,021,301	890,253	1,248,297
“ Limited, Single, and Commuted Premiums	76	8,462	..	..	5,734	..	..	5,734
Deferred Endowment Assurances, with return of Premiums— Ordinary Profits	5	3,800	32	25	769	857	674	95
Extra Profits: Uniform Premiums	89	29,800	482	443	12,897	10,548	9,687	3,210
Extra Profits: Limited Premiums	1	400	8	8	146	98	98	48
Joint Life—Whole-life Assurances: Uniform Premiums	18	7,714	333	268	4,871	4,054	3,265	1,606
“ Limited, Single, and Commuted Premiums	1	1,013	96	84	698	488	425	273
“ Endowment Assurances	1	844	45	37	612	426	319	263
Survivorship Assurances	1	58	..	..	26	..	..	26
Simple Endowments, with return of Premiums	984	167,023	5,486	5,137	118,900	51,836	48,315	70,585
Endowments—Premiums ceasing on Death of Purchaser	454	62,235	2,376	2,210	45,856	19,362	18,007	27,849
Annuity Assurances	43	8,018	339	322	21,987	2,324	2,209	19,778
		{ and annuity— Deferred, £1,539 { Ent'd upon £578 }						
Total Assurances with Profits	58,149	17,437,119	499,138	419,587	10,835,948	6,016,361	4,989,090	5,846,858

FOURTH SCHEDULE.

SUMMARY AND VALUATION OF THE POLICIES OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT AS AT 31ST DECEMBER, 1926—continued.

DESCRIPTION OF TRANSACTIONS.	PARTICULARS OF POLICIES FOR VALUATION.				VALUES { Assurances : OM Table, 3 % Interest. Annuities : a (f) and a (m) Tables deduced from Mortality of British Annuitants, 1900-1920, 3 % Interest.			
	Number of Policies.	Sums assured and Bonuses.	Office Yearly Premiums.	Net Premiums.	Sums assured and Bonuses.	Office Yearly Premiums.	Net Premiums.	Net Liability.
II.—Without Participation in Profits.								
Whole-life Assurances—Uniform Premiums	5,652	2,430,547	65,317	55,595	1,257,063	998,410	849,560	407,503
" Limited, Single, and Commuted Premiums	73	37,153	1,221	1,196	19,170	9,930	9,710	9,460
Endowment Assurances—Uniform Premiums	607	160,650	5,018	4,375	102,407	58,936	51,130	51,277
" Limited, Single, and Commuted Premiums	5	1,094	..	..	785	..	..	785
Deferred Whole-life Assurances, with return of Premiums—								
Uniform Premiums	72	37,300	266	255	8,426	6,969	6,663	1,763
" Limited Premiums	3	5,000	35	35	1,138	798	798	340
Deferred Endowment Assurances, with return of Premiums—								
Uniform Premiums	419	102,950	1,703	1,675	43,733	30,739	30,238	13,495
" Limited Premiums	2	200	..	..	120	..	..	120
Joint Life—Whole-life Assurances	2	900	43	39	610	464	412	198
Industrial Assurances	2	40	1	..	25	..	..	25
Temporary Assurances	3	5,450	59	28	19	..	..	19
Total Assurances without Profits	6,840	2,781,284	73,663	63,198	1,433,496	1,106,246	948,511	484,985
Reserve for Extra Premiums .. .. .	..	..	..	..	760	..	..	760
Reserve for Future Expenses on Limited Premium and other Miscellaneous Assurances .. .. .	..	..	..	..	..	..	Deduct 61,776	61,776
Total Assurances	64,989	20,218,403	572,801	482,785	12,270,204	7,122,507	5,875,825	6,394,379
ANNUITIES.								
Immediate	403	(Per annum.) 22,285	..	..	184,248	..	..	184,248
Deferred	4	600	518	518	4,165	..	..	4,165
Total Annuities	407	22,885	518	518	188,413	..	..	188,413
Total of the Results	65,396	20,218,403 and £24,997 per annum.	573,319	483,303	12,458,617	7,122,507	5,875,825	6,582,792

FOURTH SCHEDULE.

2. The net liabilities and assets of the Department, with the amount of surplus, are shown in the Valuation Balance-sheet given on page 11.

VIII.

All participating policies which were in force at the date of the valuation, however recently effected, share in the profits. The reversionary bonuses allotted to policies recently issued follow the sum assured—i.e., they vest immediately, and are payable with the sum assured as a claim, however short the duration; but, except in the case of short-term double-endowment policies, they do not acquire a cash value for surrender purposes until the policies to which they belong have been two years in existence.

IX.

The results of the valuation are as follows :—

- (1) The total amount of profit made by the Department during the three years ending the 31st December, 1926, including a balance of £18,787 carried forward three years ago, on the basis of a 3-per-cent. valuation, was £476,249, of which amount £29,457 has been paid as interim bonuses during the triennium.
- (2) The amount of profit divided among the policyholders as at the 31st December, 1926, was £430,363, which has been converted into reversionary bonuses amounting to £664,297. The number of policies which participated was 58,149, assuring the sum of £15,962,113, or, including reversionary additions, £17,437,119.
- (3) The following are specimens of the bonuses which have been allotted for the three years ending the 31st December, 1926, to policies for £100 upon which all previously allotted bonuses had been allowed to remain :—

WHOLE LIFE.										
Number of Years in Force.	AGE AT ENTRY, 20.		AGE AT ENTRY, 30.		AGE AT ENTRY, 40.		AGE AT ENTRY, 50.		Number of Years in Force.	
	Reversionary Bonus.	Cash Value.	Reversionary Bonus.	Cash Value.	Reversionary Bonus.	Cash Value.	Reversionary Bonus.	Cash Value.		
30	£ 6 5 0	£ 2 15 3	£ 6 5 0	£ 3 10 11	£ 6 5 0	£ 4 6 6	£ 6 5 0	£ 5 0 6	30	
35	6 15 0	3 7 6	6 11 0	4 2 5	6 11 0	4 18 9	6 11 0	5 10 10	35	
40	7 6 0	4 2 9	7 3 0	4 18 11	7 0 0	5 12 7	7 0 0	6 3 7	40	
ENDOWMENT ASSURANCE.—TERM 20 YEARS.										
5	5 3 0	2 15 5	5 3 0	2 16 3	5 3 0	2 17 6	5 3 0	3 1 0	5	
10	5 8 0	3 11 1	5 8 0	3 11 7	5 8 0	3 13 4	5 8 0	3 14 10	10	
15	5 14 0	4 11 8	5 14 0	4 12 1	5 14 0	4 12 8	5 14 0	4 13 7	15	
20	6 0 0	6 0 0	6 0 0	6 0 0	6 0 0	6 0 0	6 0 0	6 0 0	20	

The cash values of the reversionary bonuses are computed by the HM Table of Mortality, with interest at $4\frac{1}{2}$ per cent.

C. GOSTELOW, F.I.A.,
Government Actuary.



REPORT

BY THE

Government Insurance Commissioner,

In terms of Section 37 of the Government Life Insurance Act, 1908.

FIFTH SCHEDULE.

STATEMENT OF THE LIFE ASSURANCE AND ANNUITY BUSINESS OF THE GOVERNMENT INSURANCE DEPARTMENT ON THE 31ST DECEMBER, 1926.

Question 1.—The published table or tables of premiums which are in use at the date above mentioned.

Answer.—The tables of premiums in use are contained in Appendix No. 1.

Question 2.—The total amount assured on lives for the whole term of life which are in existence at the date above mentioned, distinguishing the portions assured with and without profits, stating separately the total reversionary bonuses, and specifying the sums assured for each year of life, from the youngest to the oldest ages.

Question 3.—The amount of premiums receivable annually for each year of life, after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under heading No. 2, distinguishing ordinary from extra premiums.

Answer to Questions 2 and 3.—This information is contained in Appendices Nos. 2, 3, 4, 5, and 6.

Question 4.—The total amount assured under classes of assurance business other than for the whole term of life, distinguishing the sums assured under each class, and stating separately the amount assured, with and without profits, and the total amount of reversionary bonuses.

FIFTH SCHEDULE.

Question 5.—The amount of premiums receivable annually in respect of each such special class of assurances mentioned under heading No. 4, distinguishing ordinary from extra premiums.

Question 6.—The total amount of premiums which has been received from the commencement upon all policies under each special class mentioned under heading No. 4, which are in force at the date above mentioned.

Answers to Questions 4, 5, and 6 are contained in the following table:—

Class of Assurance.	Number of Policies.	Sums assured.	Reversionary Bonuses.	ANNUAL PREMIUMS.		Total Ordinary Premiums received.
				Ordinary.	Extra.	
WITH PROFITS.						
		£	£ s.	£ s. d.	£ s. d.	Not calculated.
Endowment Assurances ..	32,008	7,957,263	537,862 18	284,852 6 10	556 17 0	
Long-term Endowment Assurances	7,114	2,765,992	187,305 12	78,207 2 0	564 9 2	
Double-endowment Assurances	11,887	3,384,570	151,848 6	92,188 19 3	18 6 1	
Endowment Assurances with extra profits	239	65,100	5,431 8	2,683 8 8	..	
Deferred Endowment Assurances	5	3,800	..	31 15 6	..	
Deferred Endowment Assurances with extra profits	90	30,200	..	490 7 1	..	
Joint-life Assurances ..	19	8,200	526 19	428 13 11	4 9 6	
Survivorship Assurances ..	1	40	18 2	..	..
Joint Endowment Assurances ..	1	800	43 13	45 2 8	..	
Annuity Assurances ..	43	6,835*	1,183 1	339 7 9†	..	
Endowments: With return of premiums if death occur during term	984	156,612	10,411 1	5,486 8 8	..	
Endowments: Premiums ceasing on death of purchaser	454	57,750	4,485 7	2,375 12 11	0 19 6	
WITHOUT PROFITS.						
Endowment Assurances ..	612	161,744	..	5,018 0 5	7 8 5	
Joint-life Assurances ..	2	900	..	43 8 0	..	
Deferred Endowment Assurances	424	108,150	..	1,737 11 3	..	
Industrial Assurances ..	2	40	..	0 17 4	..	
Temporary Assurances ..	3	5,450	..	58 16 11	27 4 4	
Totals ..	53,888	£14,713,446	£899,116 7	£473,987 19 2	£1,179 14 0	

* And annuities deferred, £1,539 2s. 8d.; and entered upon, £572 12s. 8d.

† These amounts are also shown under "Deferred Annuities" in answer to Question 8.

FIFTH SCHEDULE.

Question 7.—The total amount of immediate annuities on lives, distinguishing the amounts for each year of life.

ANSWER TO QUESTION 7.

TOTAL AMOUNT OF IMMEDIATE ANNUITIES ON LIVES, DISTINGUISHING THE SEX, AND THE AMOUNTS FOR EACH YEAR OF LIFE.

Age attained.			AMOUNT OF ANNUITIES.	
			Female.	Male.
			£ s. d.	£ s. d.
24	..	..	..	23 11 8
29	..	..	..	10 2 0
41	..	..	52 0 0	..
42	..	..	44 5 0	..
49	..	..	..	63 11 8
50	..	..	119 10 8	..
53	..	..	25 16 8	13 18 0
54	..	..	110 0 0	..
55	..	..	85 0 4	91 2 8
56	..	..	25 16 8	493 19 4
57	..	..	32 5 0	117 0 0
58	..	..	164 10 0	107 2 4
59	..	..	62 10 0	..
60	..	..	20 19 4	172 13 4
61	..	..	273 6 8	263 4 8
62	..	..	100 0 0	498 7 8
63	..	..	345 18 4	60 8 2
64	..	..	190 11 4	145 3 8
65	..	..	44 10 0	717 3 0
66	..	..	273 1 0	290 7 4
67	..	..	63 6 4	339 13 10
68	..	..	57 1 10	813 2 8
69	..	..	166 18 4	771 6 4
70	..	..	509 16 4	178 3 4
71	..	..	201 11 8	785 4 2
72	..	..	707 5 8	509 10 4
73	..	..	84 10 0	249 9 6
74	..	..	135 11 4	1,547 7 8
75	..	..	264 5 2	1,168 0 0
76	..	..	388 2 2	197 16 0
77	..	..	..	424 7 0
78	..	..	644 13 8	217 6 10
79	..	..	286 19 8	431 14 8
80	..	..	343 18 4	565 3 10
81	..	..	218 11 8	295 0 0
82	..	..	376 5 0	245 5 0
83	..	..	53 11 6	254 1 8
84	..	..	410 17 10	241 6 8
85	..	..	70 8 4	171 9 8
86	..	..	220 18 0	31 1 4
87	..	..	65 1 8	196 19 4
88	..	..	..	120 11 6
89	..	..	141 6 0	62 12 0
91	..	..	28 2 0	306 12 2
92	..	..	23 6 10	..
93	..	..	..	88 18 4
101	..	..	300 0 0	..
Totals	..	..	£7,732 10 4	£13,279 19 4

Age attained.			JOINT AND SURVIVORSHIP.		Amount of Annuity.
			Female.	Male.	
					£ s. d.
67-63	..	..	1	1	10 0 0
68-64	..	..	1	1	25 9 0
68-66	..	..	1	1	109 0 0
78-75	..	..	1	1	200 0 0
80-79	..	..	2	2	152 19 4
85-75	..	..	1	1	50 19 4
85-78	..	..	4	4	470 19 4
87-73	..	..	1	1	17 13 4
93-89	..	..	1	1	193 1 0
100-85	..	..	2	2	42 9 8
Totals	..	..	15	15	£1,272 11 0

FIFTH SCHEDULE.

Question 8.—The amount of all annuities other than those specified under heading No. 7, distinguishing the amount of annuities payable under each class, the amount of premiums annually receivable, and the amount of consideration-money received in respect of each such class, and the total amount of premiums received from the commencement upon all deferred annuities.

ANSWER TO QUESTION 8.

THE AMOUNTS OF ALL ANNUITIES OTHER THAN THOSE SPECIFIED UNDER HEADING No. 7.

Class of Annuity.	Amount of Annuities.	Annual Premiums.	Single Premiums.	Total Premiums received to 31st December, 1926.
Deferred (Premiums not returnable) ..	£ 600 s. 0 d. 0	£ 518 s. 5 d. 10	£ 796 s. 13 d. 4	Not calculated.
Deferred (Annuity Assurances)* ..	943 10 9	124 14 9	32 5 0	
Deferred (Annuity Assurances)† ..	1,168 4 7	214 13 0	..	
Totals	£2,711 15 4	£857 13 7	£828 18 4	

* Including £411 14s. 9d., annuity "entered upon" and temporary assurances for £2,538. † Including £160 17s. 11d., annuity "entered upon" and whole-life assurances for £4,297.

Question 9.—The average rate of interest at which the funds of the Department were invested at the close of each year during the period since the last investigation.

Answer.—The net effective rate of interest credited to the funds of the Department for each year of the triennium, after deducting land and income tax, was as follows:—

	£	s.	d.
1924	5	7	7
1925	5	9	1
1926	5	11	1

Question 10.—A table of minimum values, if any, allowed for the surrender of policies for the whole term of life, and for endowments and endowment assurances; or a statement of the method pursued in calculating such surrender values, with instances of its application to policies of different standing, and taken out at various interval ages, from the youngest to the eldest.

Answer.—The minimum surrender values at present ruling for whole-life and endowment assurance policies issued at the present rates of premium are given in Appendix No. 7. In the case of simple endowments, with return of all premiums at death of nominee, the premiums are returned without interest, as surrender value. Other endowments and children's deferred assurances are treated specially.

FIFTH SCHEDULE.

Question 11.—A statement to be furnished of the manner in which policies on unhealthy lives are dealt with.

Answer.—When proposals are made on lives which, although not of such inferior quality as to merit total rejection, are considered not to reach the requisite standard for insurance at the ordinary rates of premium, such proposals are accepted at increased rates. Great refinement is not attempted in the assessment of lives, proposals being as a rule either accepted at par, with an extra premium of 10s. per cent. of the sum assured, an extra of 20s. per cent., or declined. The alternative of a fixed contingent debt in lieu of extra premium, if not remissible, is always offered.

The true age is taken as the basis of surrender calculations, except in the cases of paid-up policies, the surrender values of which are calculated at the rated-up ages.

The Appendices alluded to above have been compiled under the immediate supervision of Mr. C. GOSTELOW, F.I.A., the Government Actuary.

A. E. ALLISON,

Government Insurance Commissioner.

20th June, 1927.

FIFTH SCHEDULE.

Appendix No. 1.

THE PUBLISHED TABLES OF PREMIUMS

Which were in Use on the 31st December, 1926.

Class of Assurance, with Participation in Profits.			Age Nearest Birthday.											
			Age 10.	Age 15.	Age 20.	Age 25.	Age 30.	Age 35.	Age 40.	Age 45.	Age 50.	Age 55.	Age 60.	
Whole-life Assurance, with Premiums ceasing at the Policy Anniversary nearest to age 80. Annual Premiums to secure £100, payable at death only—Table 2L.			£ s. d. 1 14 7	£ s. d. 1 18 7	£ s. d. 2 3 6	£ s. d. 2 8 4	£ s. d. 2 14 6	£ s. d. 3 2 0	£ s. d. 3 11 6	£ s. d. 4 4 0	£ s. d. 5 0 5	£ s. d. 6 2 11	£ s. d. 7 14 9	
			NOTE.—In addition to participating in ordinary profits, a special reversionary bonus of 20s. per cent. per annum on the sum assured will be allotted in this table.											
Endowment Assurance.—To secure £100, payable on the Policy Anniversary nearest to Age 80, or at Death, if prior.	A	Annual premiums during the whole term	1 7 9	1 11 3	1 15 7	1 19 11	2 5 5	2 12 4	3 1 3	3 13 2	4 9 2	5 11 5	7 3 7	
	B s	Single payments ..	27 11 0	30 7 0	33 12 0	36 10 0	39 19 0	43 16 0	48 2 0	53 1 0	58 10 0	64 9 0	70 16 0	
		Annual premiums.— Limited to 10 years												
	B 10	" 15 "	3 15 0	4 1 8	4 9 10	4 17 0	5 5 4	5 15 0	6 6 1	6 19 4	7 15 2	8 14 6	9 19 4	
	B 15	" 20 "	2 14 8	2 19 9	3 5 11	3 11 3	3 17 7	4 5 0	4 13 9	5 4 6	5 17 10	6 15 3	7 18 11	
	B 20	" 25 "	2 4 10	2 9 1	2 14 2	2 18 9	3 4 2	3 10 7	3 18 5	4 8 4	5 1 1	5 18 8	..	
	B 25	" 30 "	1 19 1	2 2 11	2 7 6	2 11 7	2 16 7	3 2 7	3 10 0	3 19 10	4 13 0	..	..
	B 30	" 35 "	1 15 5	1 19 0	2 3 3	2 7 1	2 11 10	2 17 9	3 5 3	3 15 4	..	..	..
B 35	" 35 "	1 13 0	1 16 4	2 0 5	2 4 2	2 8 11	2 14 10	3 2 7	..	..	..	..
Endowment Assurance.—To secure £100 at the End of the Term indicated, or at Death, if prior.	C	Annual premiums.— Term 10 years ..	9 8 0	9 9 1	9 11 6	9 12 0	9 13 3	9 14 8	9 16 5	9 19 8	10 4 5	10 12 3	11 5 2	
		" 15 "	5 19 3	6 0 6	6 2 8	6 3 5	6 4 10	6 6 6	6 8 11	6 13 1	6 19 4	7 9 7	8 6 1	
		" 20 "	4 5 9	4 7 1	4 9 1	4 10 1	4 11 9	4 13 11	4 17 0	5 2 2	5 10 3	6 3 0	..	
		" 25 "	3 6 3	3 7 8	3 9 9	3 10 11	3 12 11	3 15 7	3 19 6	4 6 0	4 15 10	..	..
		" 30 "	2 13 10	2 15 5	2 17 7	2 19 0	3 1 4	3 4 7	3 9 7	3 17 4	..	..	..
		" 35 "	2 5 5	2 7 2	2 9 5	2 11 2	2 14 0	2 18 1	3 4 0	..	..	..	..
		" 40 "	1 19 7	2 1 5	2 3 11	2 6 1	2 9 6	2 14 3	..	..	..	..	..
		" 45 "	1 15 5	1 17 5	2 0 3	2 2 10	2 6 10	..	..	..	..	..	..
		" 50 "	1 12 6	1 14 9	1 17 10	2 0 10	..	..	..	..	..	..	..
		" 55 "	1 10 5	1 12 11	1 16 4	..	..	..	..	..	..	..	..
		" 60 "	1 9 1	1 11 10	..	..	..	..	..	..	..	..	..
		" 65 "	1 8 3	..	..	..	..	..	..	..	..	..	..
		With Extra Profits	2 C	Annual premiums.— Term 25 years ..	3 18 10	4 0 4	4 2 5	4 3 8	4 5 8	4 8 5	4 12 6	4 19 2	5 9 4	..
" 30 "	3 5 4		3 7 0	3 9 3	3 10 8	3 13 2	3 16 6	4 1 9	4 9 10	..	..	..	..
			NOTE.—In addition to participating in ordinary profits, a special reversionary bonus of 20s. per cent. per annum on the sum assured will be allotted in this table.											
Joint Life Assurance.—To secure £100, payable on the Failure of Either Life.	E	Annual Premiums.	Difference between Age of Elder and Younger Life.						Double Endowment Assurance—G. For the assurance of £100 in the event of death during the term, and an endowment of £200 in the event of the life assured surviving the term.					
		Age of Younger Life (nearest Birthday).	0 Years.	2 Years.	4 Years.	6 Years.	8 Years.	10 Years.						
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.						
		20	2 14 11	2 16 1	2 17 4	2 18 10	3 0 7	3 2 6						
		25	3 0 11	3 2 5	3 4 2	3 6 0	3 8 2	3 10 7						
		30	3 8 11	3 10 9	3 12 11	3 15 4	3 18 1	4 1 2						
		35	3 18 10	4 1 3	4 4 0	4 7 1	4 10 10	4 15 2						
		40	4 11 7	4 14 9	4 18 6	5 2 11	5 7 10	5 13 6						
		45	5 9 0	5 13 5	5 18 5	6 4 2	6 10 11	6 18 9						
		50	6 12 5	6 18 3	7 5 2	7 13 3	8 2 8	8 13 7						

Appendix No. 1.

Which were in Use on the 31st December, 1926.

Class of Assurance without Participation in Profits.											Immediate Annuities.		
Whole-life Assurance.					Endowment Assurance.		Temporary Assurance.				Showing the Sum to be paid for an Immediate Annuity of £10, payable by Half-yearly Instalments, with a Proportionate Payment to the Date of Death.		
Premium required to secure £100, payable at death only.					Annual Premium to secure £100, payable at End of Term indicated, or at Death if prior.		Premium to be Paid for assuring £100 on a Single Life.						
Age Nearest Birthday.	Single Premium.	Annual Premium.	Premium Limited to		Term 25 Years.	Term 30 Years.	Annual Premium for 1 Year.	Annual Premium for 3 Years.	Annual Premium for 5 Years.	Age Last Birthday.	Male.	Female.	
			10 Years.	20 Years.									
10	£ s. d. 22 4 0	£ s. d. 1 1 6	£ s. d. 2 13 6	£ s. d. 1 12 7	£ s. d. 2 19 1	£ s. d. 2 7 3	£ s. d. 1 0 0	£ s. d. 1 0 6	£ s. d. 1 1 0	80	£ s. d. 51 10 10	£ s. d. 55 10 0	
15	24 17 0	1 4 8	3 0 0	1 16 9	3 0 5	2 8 9	1 0 0	1 0 6	1 1 0	79	53 19 2	58 5 0	
20	27 18 0	1 8 7	3 8 0	2 1 10	3 2 5	2 10 9				78	56 9 2	61 1 8	
25	30 13 0	1 12 5	3 14 10	2 6 3	3 3 7	2 12 2	1 0 8	1 0 11	1 1 4	77	59 0 0	64 0 0	
30	34 0 0	1 17 5	4 3 5	2 11 9	3 5 5	2 14 5	1 3 0	1 3 5	1 3 10	76	61 12 6	67 0 10	
35	37 12 0	2 3 6	4 12 10	2 18 1	3 7 11	2 17 6	1 5 3	1 6 0	1 6 7	75	64 7 6	70 2 6	
40	41 16 0	2 11 4	5 3 10	3 5 9	3 11 9	3 2 3	1 8 6	1 8 11	1 9 7	74	67 5 0	73 5 10	
45	46 11 0	3 1 8	5 17 1	3 15 6	3 17 10	3 9 8	1 12 6	1 14 1	1 15 7	73	70 3 4	76 10 10	
50	51 17 0	3 15 4	6 12 7	4 7 11	4 7 4	..	2 0 6	2 2 1	2 4 0	72	73 5 0	79 17 6	
55	57 10 0	4 14 4	7 11 4	..	..	..	..	..	..	71	76 8 4	83 5 10	
60	63 11 0	6 0 8	8 14 10	..	..	..	..	..	..	70	79 12 6	86 16 8	
Deferred Assurances for Children.											69	82 17 6	90 11 8
											68	86 2 6	94 9 2
Without Profits.											67	89 7 6	98 8 4
											66	92 12 6	102 8 4
Endowment Assurance. With Extra Profits.											65	96 0 0	106 7 6
											64	99 9 2	110 6 8
Whole-life Assurance.											63	102 18 4	114 4 2
											62	106 7 6	118 0 0
Endowment Assurance.											61	109 16 8	121 15 10
											60	113 7 6	125 12 6
Premium to secure £100, payable											59	117 0 0	129 7 6
											58	120 12 6	133 3 4
At Death after											57	124 2 6	136 17 6
											56	127 10 10	140 11 8
At Death after Age 21, or on the Policy Anniversary nearest to											55	130 16 8	144 4 2
											54	134 0 10	147 14 2
Age 21.											53	137 4 2	151 4 2
											52	140 5 0	154 12 6
Age 30.											51	143 5 0	157 19 2
											50	146 4 2	161 4 2
Age 50.											49	149 0 10	164 10 0
											48	151 16 8	167 15 0
Age nearest Birthday.											47	154 10 10	170 18 4
											46	157 5 0	174 0 10
Annual Premium.											45	159 17 6	177 0 10
											44	162 8 4	179 19 2
Age nearest Birthday.											43	164 19 2	182 16 8
											42	167 9 2	185 11 8
Annual Premium.											41	169 18 4	188 5 10
											40	172 6 8	190 18 4
0	£ s. d. 0 12 2	£ s. d. 2 0 8	£ s. d. 0 19 4	0	£ s. d. 1 6 4	8	£ s. d. 1 17 5						
1	0 12 8	2 2 11	1 0 2	1	1 7 6	9	1 19 2						
2	0 13 2	2 5 3	1 1 0	2	1 8 8	10	2 1 1						
3	0 13 8	2 7 10	1 1 11	3	1 9 11	11	2 3 1						
4	0 14 3	2 10 7	1 2 11	4	1 11 3	12	2 5 3						
5	0 14 10	2 13 7	1 3 11	5	1 12 8	13	2 7 7						
6	0 15 5	2 16 11	1 5 0	6	1 14 2	14	2 10 1						
7	0 16 1	3 0 6	1 6 2	7	1 15 9	..	..				
8	0 16 9	3 4 5	1 7 5										
9	0 17 5	3 8 10	1 8 9										
10	0 18 2	3 13 7	1 10 1										
11	0 19 0	3 18 11	1 11 7										
12	0 19 10	4 4 11	1 13 2										
13	1 0 8	4 11 8	1 14 10										
14	1 1 7	4 19 3	1 16 8										
After age 21 the policy in addition to participating in the ordinary profits will receive an extra reversionary bonus of 20s. per cent. per annum on the sum assured.													
Premiums payable throughout whole term of policy. Premiums refunded if child should die before age 21.													

FIFTH SCHEDULE.

Appendix No. 2.

ASSURANCES FOR THE WHOLE TERM OF LIFE WITH WHOLE-LIFE
PREMIUMS, WITH PROFITS,
IN FORCE AT 31ST DECEMBER, 1926.

Age attained.	Number of Policies.	Amount assured.	Bonus Additions.	OFFICE ANNUAL PREMIUMS.		Age attained.
				Ordinary.	Extra.	
		£	£ s.	£ s. d.	£ s. d.	
41	1	650	160 4	10 4 10	..	41
42	1	300	87 10	4 14 6	..	42
43	1	100	29 15	1 11 1	..	43
44	6	1,400	428 16	22 11 10	..	44
45	9	2,200	640 12	35 13 1	..	45
46	16	4,050	1,218 10	66 11 6	..	46
47	20	3,675	1,188 6	61 18 0	..	47
48	26	6,475	2,091 16	109 11 3	..	48
49	50	11,960	3,706 12	208 3 0	0 10 0	49
50	57	14,500	4,788 0	251 6 6	1 10 0	50
51	71	19,800	6,781 7	342 15 11	9 10 0	51
52	73	19,825	6,363 5	352 13 7	3 9 0	52
53	101	24,495	8,582 3	438 6 11	3 15 0	53
54	111	26,965	9,267 4	495 4 10	8 2 8	54
55	115	29,590	10,841 7	547 16 10	9 5 0	55
56	169	43,519	16,591 15	818 18 9	2 12 5	56
57	127	33,695	11,073 9	657 0 0	8 16 3	57
58	172	48,445	17,909 15	943 16 2	10 18 0	58
59	151	45,420	16,729 1	919 13 2	4 17 6	59
60	192	63,100	22,607 1	1,272 13 6	8 10 0	60
61	199	57,875	22,151 6	1,203 16 11	13 3 3	61
62	184	47,800	17,009 18	1,019 3 7	14 1 4	62
63	162	47,294	16,940 5	998 0 6	9 5 0	63
64	203	59,150	21,505 12	1,310 11 0	13 11 0	64
65	172	50,450	19,367 11	1,126 9 5	5 8 8	65
66	182	50,480	18,837 16	1,124 0 6	22 8 3	66
67	163	50,170	19,395 7	1,116 12 7	8 18 6	67
68	224	64,193	22,142 3	1,464 4 11	43 5 2	68
69	189	46,925	16,296 16	1,109 14 2	17 10 4	69
70	189	54,774	19,708 13	1,294 2 11	20 9 11	70
71	162	45,080	17,461 2	1,064 15 0	18 13 4	71
72	173	46,888	17,689 17	1,135 3 9	18 13 0	72
73	152	44,225	17,178 15	1,069 9 6	24 4 2	73
74	159	40,678	14,331 3	1,010 12 8	20 15 8	74
75	147	45,050	18,216 0	1,131 11 10	25 4 3	75
76	142	43,321	16,854 3	1,092 18 4	31 2 2	76
77	108	30,210	12,265 7	793 17 8	29 10 11	77
78	90	25,506	10,594 12	687 10 6	14 5 5	78
79	74	20,981	8,676 4	561 15 9	24 6 11	79
80	70	23,786	10,860 13	636 11 4	17 7 8	80
81	59	17,760	8,303 10	466 14 8	10 13 3	81
82	49	16,450	7,028 13	503 17 10	12 1 2	82
83	36	9,400	4,488 1	292 11 4	4 15 8	83
84	39	9,942	3,407 14	278 17 11	9 5 0	84
85	31	8,150	4,221 16	220 19 11	8 2 4	85
86	18	5,050	2,378 6	135 17 11	7 17 4	86
87	15	3,700	1,551 12	108 5 4	2 7 0	87
88	12	2,650	1,197 12	93 16 2	..	88
89	15	3,200	1,266 3	112 18 2	3 1 4	89
90	12	3,450	1,321 17	82 1 2	11 3 7	90
91	6	2,800	1,292 5	76 7 5	..	91
92	6	1,270	699 10	47 8 3	..	92
93	1	500	294 6	18 3 4	..	93
94	1	100	71 4	2 15 8	..	94
95	2	400	239 9	14 10 2	..	95
96	1	20	..	1 2 8	..	96
Totals	4,916	£1,379,842	£516,331 9	£30,967 16 0	£533 7 5	

FIFTH SCHEDULE.

Appendix No. 3.

ASSURANCES FOR THE WHOLE TERM OF LIFE BY LIMITED
AND SINGLE PREMIUMS, WITH PROFITS,

IN FORCE AT 31ST DECEMBER, 1926.

Age attained	Number of Policies.	Amount assured.	Bonus Additions.	Year of Expiry of Premium.	Number of Policies.	Average Age attained.	OFFICE ANNUAL PREMIUMS.	
							Ordinary.	Extra.
		£ s.	£ s.				£ s. d.	£ s.
11	2	300 0	..	1929	1	71·5	18 1 8	..
16	1	300 0	..	1934	1	62·5	2 12 8	..
17	2	1,200 0	..	1937	1	49·5	3 18 4	..
19	1	200 0	..	1939	1	47·5	3 14 8	..
21	2	1,300 0	..	1945	1	61·0	91 4 8	..
22	4	1,950 0	..	1946	1	61·0	23 4 3	..
23	4	1,550 0	..	1952	1	55·0	88 6 3	..
24	1	300 0	..	1954	2	52·0	31 14 0	..
25	5	3,700 0	..	1955	1	50·0	25 2 1	..
26	3	850 0	..	1958	1	47·0	9 11 4	..
27	3	1,700 0	..	1962	1	44·0	6 4 10	..
28	1	500 0	..	1963	2	43·0	51 11 0	7 10
29	3	1,200 0	..	1964	1	42·0	8 4 0	..
30	2	1,000 0	..	1965	3	41·0	58 0 9	..
31	2	800 0	..	1966	2	39·5	25 9 8	..
32	2	1,100 0	..	1967	1	39·0	33 14 2	..
33	1	300 0	..	1968	2	37·5	50 8 9	..
34	2	400 0	..	1969	1	37·0	3 10 0	0 10
35	2	1,100 0	..	1971	2	35·0	36 17 0	..
37	2	1,100 0	..	1972	1	34·0	6 3 8	..
38	1	500 0	..	1973	2	33·5	15 6 8	..
39	2	1,200 0	..	1974	3	31·7	39 18 0	..
40	1	500 0	..	1975	2	30·5	28 12 6	..
41	3	1,600 0	..	1976	2	29·5	27 5 0	..
42	1	200 0	..	1977	3	28·7	32 17 2	..
43	2	1,300 0	..	1978	1	27·0	13 0 0	..
44	1	150 0	..	1979	4	26·5	40 12 0	..
47	3	1,150 0	289 0	1980	1	26·0	12 7 6	..
48	2	350 0	109 18	1981	6	24·8	98 5 9	..
49	1	200 0	66 15	1982	2	23·0	13 17 9	..
50	3	700 0	70 6	1983	4	22·5	40 15 0	..
51	4	1,500 0	504 3	1984	3	21·6	36 6 1	..
52	5	2,200 0	719 1	1985	1	21·0	22 15 0	..
53	8	3,187 0	1,202 9	1987	1	19·0	4 11 0	..
54	6	2,114 0	774 13	1988	1	17·0	21 6 8	..
55	9	3,697 0	1,337 11	1989	1	17·0	4 3 4	..
56	5	1,615 0	859 16	1990	1	16·0	6 9 0	..
57	10	1,661 0	850 4	1995	2	11·0	5 7 2	..
58	16	4,933 0	2,420 2					
59	7	1,198 0	607 2					
60	8	3,623 0	1,561 17					
61	9	2,774 0	749 11					
62	10	4,308 0	2,275 19					
63	6	1,428 0	836 8					
64	9	4,701 0	2,377 5					
65	8	2,107 0	1,015 11					
66	13	4,785 0	2,623 8					
67	6	1,469 0	845 0					
68	9	3,391 0	1,350 13					
69	7	1,712 0	1,013 18					
70	9	1,252 0	862 13					
71	18	7,737 0	3,758 2					
72	15	4,477 0	2,176 10					
73	8	2,556 0	1,421 4					
74	7	2,500 0	736 0					
75	5	1,463 0	995 4					
76	7	4,871 0	3,573 15					
77	14	4,522 0	2,773 4					
78	12	4,199 0	2,618 15					
79	12	6,892 0	3,759 1					
80	10	2,153 0	1,201 1					
81	10	4,376 0	3,049 5					
82	2	600 0	468 16					
83	6	2,069 0	1,476 1					
84	7	1,403 17	533 5					
85	11	6,711 0	1,906 9					
86	3	1,538 0	978 0					
87	2	1,500 0	862 12					
88	6	2,185 10	1,244 18					
89	1	500 10	370 14					
90	2	442 10	284 6					
94	1	59 0	48 11					
Totals	388	£145,108 17	£59,558 16	..	67	..	£1,041 9 4	£8 0

FIFTH SCHEDULE.

Appendix No. 4.

ASSURANCES FOR THE WHOLE TERM OF LIFE, WITHOUT PROFITS,

IN FORCE AT 31ST DECEMBER, 1926.

Age attained.	Number of Policies.	Amount assured.	OFFICE ANNUAL PREMIUMS.		Age attained.
			Ordinary.	Extra.	
		£	£ s. d.	£ s. d.	
13	3	2,100	24 9 11	..	13
17	4	2,050	24 9 10	..	17
18	3	2,500	31 8 4	..	18
19	9	5,000	67 9 8	..	19
20	13	5,200	73 3 8	..	20
21	9	4,300	59 6 6	..	21
22	12	4,050	60 8 9	..	22
23	23	9,950	144 17 1	..	23
24	26	11,350	172 5 5	..	24
25	40	18,750	289 15 5	..	25
26	39	19,900	319 9 8	8 9 6	26
27	58	26,150	422 14 3	5 0 0	27
28	86	34,950	579 1 6	4 10 0	28
29	78	30,750	527 2 10	3 7 1	29
30	79	39,950	696 10 6	10 10 0	30
31	92	40,800	723 12 2	10 1 3	31
32	94	38,500	698 15 7	2 0 0	32
33	113	54,100	1,006 3 1	11 16 8	33
34	111	64,200	1,221 19 4	21 5 0	34
35	146	59,600	1,163 0 3	9 0 0	35
36	161	74,050	1,477 4 11	9 10 0	36
37	188	79,350	1,596 2 1	2 0 0	37
38	185	83,150	1,737 1 9	9 9 3	38
39	185	86,450	1,828 2 1	8 9 9	39
40	230	104,850	2,381 11 10	17 5 0	40
41	209	94,700	2,167 8 2	20 19 6	41
42	246	113,950	2,684 13 2	20 10 0	42
43	256	109,100	2,664 12 5	7 5 0	43
44	230	106,950	2,653 7 10	8 15 0	44
45	227	98,700	2,523 5 1	0 10 0	45
46	238	95,950	2,590 4 0	9 0 0	46
47	225	88,050	2,436 15 4	17 0 0	47
48	236	97,032	2,752 15 1	19 5 0	48
49	211	91,000	2,649 5 3	24 9 0	49
50	177	73,500	2,296 1 5	14 10 4	50
51	173	64,200	2,001 11 3	10 5 0	51
52	160	65,250	2,144 2 0	14 0 0	52
53	117	46,900	1,645 14 9	6 19 6	53
54	117	38,500	1,343 15 4	11 5 0	54
55	115	47,115	1,719 14 11	17 0 0	55
56	111	34,950	1,314 13 8	12 10 0	56
57	93	40,950	1,689 17 7	4 10 0	57
58	90	35,200	1,416 9 5	2 0 0	58
59	66	29,100	1,219 13 5	..	59
60	91	40,650	1,836 0 11	5 10 0	60
61	63	24,150	1,176 3 1	..	61
62	30	13,000	591 7 11	2 10 0	62
63	32	16,100	770 9 1	0 10 0	63
64	36	21,550	1,144 12 11	4 0 0	64
65	22	7,900	431 18 9	2 0 0	65
66	19	6,700	368 2 9	..	66
67	23	5,850	331 4 11	..	67
68	5	1,550	79 19 3	5 0 0	68
69	14	9,100	559 8 4	0 15 0	69
70	8	2,000	107 11 2	..	70
71	6	1,150	69 4 4	..	71
72	12	3,900	260 1 7	..	72
73	1	2,000	219 16 8	..	73
74	1	200	16 19 0	..	74
76	2	850	66 16 7	..	76
77	2	600	41 7 0	2 10 0	77
81	1	200	5 8 4	..	81
Totals	5,652	£2,430,547	£65,316 19 1	£376 1 10	

FIFTH SCHEDULE.

Appendix No. 5.
ASSURANCES FOR THE WHOLE TERM OF LIFE BY LIMITED
AND SINGLE PREMIUMS, WITHOUT PROFITS,

IN FORCE AT 31ST DECEMBER, 1926.

Age attained.	Number of Policies.	Amount assured.	Year of Expiry.	Number of Policies.	Average Age attained.	OFFICE ANNUAL PREMIUMS.	
						Ordinary.	Extra.
		£				£ s. d.	£ s. d.
24	1	200					
27	1	24					
28	1	1,000					
31	2	230					
32	1	500					
33	2	2,200	1927	1	56.5	13 4 0	1 16 0
34	2	2,000	1928	1	47.5	29 15 6	..
35	3	644	1930	1	59.5	69 15 10	..
36	3	2,300	1931	1	56.5	14 14 0	..
38	6	1,881	1932	1	36.5	4 7 1	..
39	2	2,250	1933	5	44.7	320 17 4	..
40	6	1,612	1935	9	47.8	147 2 4	..
41	1	1,000	1936	2	45.0	11 13 5	..
42	1	500	1937	4	41.3	39 5 10	..
43	4	1,700	1939	5	49.9	97 0 4	..
44	4	1,100	1940	2	47.5	9 19 8	1 3 0
45	4	1,100	1941	3	47.8	161 2 0	..
46	2	5,000	1942	4	40.8	87 0 6	..
47	1	600	1943	3	41.8	57 17 0	..
48	3	869	1944	6	38.0	81 6 6	..
49	2	1,400	1945	3	37.2	52 18 4	..
50	3	900	1946	1	38.5	6 7 0	..
52	4	2,280	1947	1	24.5	3 13 10	..
53	1	300	1951	1	32.5	12 10 0	..
54	2	1,100					
55	2	500					
56	2	600					
57	2	1,200					
58	1	100					
59	2	1,200					
61	2	863					
Totals	78	£37,153	..	54	..	£1,220 10 6	£2 19 0

Appendix No. 6.

TEMPERANCE NON-PROFIT SECTION

(Constituted according to Section 39, Government Life Insurance Act, 1908)

IN FORCE AT 31ST DECEMBER, 1926.

Age attained.	Number of Policies.	Amount assured.	Bonus Additions (allotted previous to transfer).	OFFICE ANNUAL PREMIUMS.		Age attained.
				Ordinary.	Extra.	
ASSURANCES FOR THE WHOLE TERM OF LIFE, WITH WHOLE-LIFE PREMIUMS.						
81	1	£ 200	£ s. d. ..	£ s. d. 5 8 4	..	81
Totals	1	£200	..	£5 8 4	..	..

Appendix No. 7.

TABLE showing the MINIMUM SURRENDER VALUE ruling at the Valuation Date in respect of Policies for £100.

True Age at Entry.	Whole-life Participating Assurance by Equal Annual Premiums for the Whole Term of Life.					Endowment Assurances payable in Fifteen Years, or at previous Death.		Endowment Assurances payable in Twenty-five Years, or at previous Death.					Endowment Assurances payable in Thirty-five Years, or at previous Death.				
	5 Years.	10 Years.	15 Years.	25 Years.	35 Years.	5 Years.	14 Years.	5 Years.	10 Years.	20 Years.	24 Years.	5 Years.	10 Years.	20 Years.	30 Years.	34 Years.	
MINIMUM SURRENDER VALUES AT THE END OF																	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
15	3 1 0	6 8 0	10 2 0	18 18 0	30 7 0	25 0 0	89 5 0	11 8 0	26 10 0	67 5 0	90 2 0	6 11 0	15 8 0	37 8 0	72 1 0	91 3 0	
20	2 16 0	6 19 0	11 4 0	21 15 0	34 17 0	25 0 0	89 5 0	11 8 0	26 10 0	67 5 0	90 2 0	6 11 0	15 8 0	37 8 0	71 6 0	90 12 0	
25	3 10 0	8 7 0	13 8 0	25 15 0	40 7 0	25 0 0	89 5 0	11 8 0	26 10 0	67 5 0	90 2 0	6 11 0	15 8 0	37 8 0	70 14 0	89 18 0	
30	4 2 0	9 18 0	16 1 0	30 4 0	45 19 0	25 0 0	89 5 0	11 8 0	26 10 0	67 5 0	90 2 0	6 11 0	15 8 0	37 8 0	70 0 0	89 3 0	
35	4 19 0	12 0 0	19 3 0	35 5 0	51 17 0	25 0 0	89 5 0	11 8 0	26 10 0	67 5 0	90 2 0	6 11 0	15 8 0	37 8 0	69 6 0	88 6 0	
40	6 2 0	14 10 0	22 17 0	40 10 0	57 9 0	24 6 0	88 7 0	11 4 0	26 6 0	65 14 0	88 12 0	7 4 0	16 19 0	38 15 0	68 12 0	87 8 0	
45	7 7 0	17 5 0	26 17 0	45 19 0	62 4 0	23 16 0	87 14 0	11 5 0	26 8 0	64 15 0	87 15 0	..	..	..	..	..
50	8 17 0	20 9 0	31 0 0	51 4 0	65 14 0	23 5 0	87 0 0	11 10 0	26 17 0	63 11 0	86 13 0	..	..	..	..	..
55	10 10 0	23 14 0	35 10 0	55 12 0	69 16 0	22 12 0	86 1 0	12 2 0	27 12 0	62 9 0	85 9 0	..	..	..	..	..
60	12 3 0	27 5 0	39 16 0	58 10 0	77 17 0	21 12 0	84 15 0	..	..	..	..	..	..	..	..	..

NOTE.—In addition to the above Values the full HM. 4½ per cent. Cash Value of all existing ordinary Bonuses is granted.

ACTUARY'S REPORT

ON THE VALUATION OF THE

GOVERNMENT INSURANCE DEPARTMENT

AS AT 31ST DECEMBER, 1926.

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

Government Actuary's Department, Wellington, 31st March, 1927.

I HAVE the honour to report that, in compliance with section 40 of the Government Life Insurance Act, 1908, and its amendments, I have made a valuation as at the 31st December last of the actuarial liabilities of the Government Insurance Department, with the object of ascertaining the net surplus available for division amongst the policyholders.

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.
1915-1917 ..	10,129	£ 2,709,163	£ 90,017	53,058	£ 12,884,531	£ 1,304,243	£ 387,377
1918-1920 ..	14,189	4,529,993	156,568	57,321	14,924,147	1,335,163	449,123
1921-1923 ..	13,537	4,499,581	139,620	60,545	16,549,451	1,357,161	501,321
1924-1926 ..	16,689	5,512,560	175,757	65,396	18,743,397	1,475,007	575,420

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

CONSOLIDATED REVENUE ACCOUNT.

Triennium ending 31st December, 1926.		Previous Triennium.	Triennium ending 31st December, 1926.		Previous Triennium.
	£	£		£	£
Funds at beginning of triennium	6,222,485	5,542,552	Death claims	547,896	530,990
Renewal premiums ..	1,438,733	1,291,437	Matured claims	718,407	653,295
New premiums	176,660	131,178	Annuities paid	64,904	62,838
Consideration for annuities	47,835	31,772	Surrenders	252,426	195,036
Interest, less taxes ..	1,053,408	894,419	Bonuses surrendered for cash	18,293	19,546
Defalcations recovered ..	..	267	Commission	118,929	99,852
Transfer from Investment Fluctuation Reserve	..	75,788	Expenses	178,682	180,728
			Transfer to Investment Fluctuation Reserve	10,000	..
			Marryatt Defalcation Account	..	2,643
			Funds at end of triennium ..	7,029,584	6,222,485
Totals	£8,939,121	£7,967,413	Totals	£8,939,121	£7,967,413

Income.—On the income side the chief items of importance are the increase of £192,778 in the total premium income, and the revenue from interest, which exceeds by £158,989 the interest earnings of the previous triennium. The net effective rate of interest credited to the funds each year for the past six years has been as follows:—

Rate of Interest (after Deduction of Taxes from Interest).

	£	s.	d.		£	s.	d.
1921	5	3	5	1924	5	7	7
1922	5	3	11	1925	5	9	1
1923	5	6	8	1926	5	11	1

Outgo.—The death claims of the triennium were £16,906 heavier than in the previous triennium, while the sum paid to the holders of endowment assurance or endowment policies who survived the selected terms amounted to £718,407, an increase of no less than £65,112 over the previous triennium.

THE VALUATION.

The business to be valued consisted of 65,396 policies, assuring £20,218,403, inclusive of bonus additions, and £24,997 immediate and deferred annuities per annum, the ordinary annual premiums thereon amounting to £573,319. The Department also receives £2,100 per annum representing additions to the tabular premiums. These extra premiums are assumed to cover the current year's extra risk, and are not brought into the valuation as an asset.

Basis of Valuation.—Assurances were valued by the O^m Table of Mortality, and annuities by the *a* (*f*) and *a* (*m*) Annuity Tables, based upon the mortality of British annuitants, 1900–20, 3 per cent. interest being used in each case. The valuation premiums were arrived at by deducting from the Office premiums a reasonable margin of loading for future expenses, and in no case was the resultant liability of any policy less than that which would be given by the “net premium” method of valuation.

				£
The value of the total liability under the several contracts is	...	...	...	12,458,617
Deduct the value of the future net premiums	...	...	...	5,875,825
				6,582,792
The accumulated funds are	...	...	...	7,029,584
Difference, being <i>net surplus</i> at 31st December, 1926	...	...	...	446,792
Add interim bonuses paid during the triennium	...	...	...	29,457
Gross surplus	...	...	...	£476,249

THE SURPLUS.

Of this surplus of £476,249 the sum of £29,457 has been applied as shown above. Of the balance of £446,792 I recommend that £16,429 be carried forward, and that £430,363 be divided amongst all the participating policyholders in the form of compound reversionary bonuses per cent. on the sum assured and existing bonuses for each premium paid since the previous valuation. This will provide new reversionary bonuses of approximately £664,400.

As laid down by the Act, I have made a careful investigation of the General and Temperance Sections separately, and I find that for the triennium under review no differentiation should be made between the rates of bonus to be allotted to similar classes of policy under the two sections.

After making allowance for the difference between the present rates of premium and those charged prior to 1900 (hereafter referred to as the “old issue”), and for the experience of the various classes of assurance, the resulting scale of compound reversionary bonuses per cent. on the sum assured and existing bonuses will be as follows for policies paying three full years’ premiums during the the triennium, viz.,—

	£	s.	d.	
Whole-life and endowment assurances (present issue)	...	5	0	0 per cent.
Whole-life and endowment assurances (old issue)...	...	4	16	0 per cent.
Double endowments (closed series)	...	4	0	0 per cent.
Pure endowments and double endowments (new series)	...	3	12	0 per cent.

In order to illustrate the effect of the compound reversionary bonus system I may add that in respect of those policies paying three years’ premiums during the triennium, whole-life and endowment assurance contracts, which constitute the bulk of the business, will receive simple reversionary bonuses ranging from £5 to £9 per cent. of the sum assured according to the duration of the policy.

Policies entering during the triennium will receive bonuses in the same proportion to the above rates that the number of years’ premiums paid during the triennium bears to the full three years’ premium.

The rates of bonus now allotted are very much in excess of any declared in the past, and the progress made during the triennium under review is very well illustrated by the following comparison with the three previous trienniums :—

Triennium.	Cash Surplus divided.		New Reversionary Bonuses allotted.	
	Amount.	Increase over Preceding Triennium.	Amount.	Increase over Preceding Triennium.
	£	£	£	£
1924–26 ...	430,363	112,800	664,400	187,400
1921–23 ...	317,563	99,857	477,000	137,612
1918–20 ...	217,706	12,415	339,388	17,298
1915–17 ...	205,291	...	322,090	...

It will be seen that compared with the preceding triennium the increase in the amount of cash surplus divided moved from £12,415 in 1920 to £99,857 in 1923 and to £112,800 in 1926; and, further, that in the short space of six years since 1920 the new bonuses allotted have been practically doubled. These results, read in conjunction with the valuation basis, which is probably stronger than that of any Australasian life office, cannot fail to be very gratifying to policyholders.

C. GOSTELOW, F.I.A., Government Actuary.

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