

1874.

NEW ZEALAND.

GOVERNMENT ANNUITIES COMMISSIONER,

(ANNUAL REPORT OF THE).

Presented to the General Assembly in accordance with section 29 of "The Government Annuities Act, 1869."

SIR,—

Government Annuities Office, Wellington, 29th July, 1874.

I have the honor to forward to you for presentation to the General Assembly, in compliance with the 29th section of "The Government Annuities Act, 1869," my Fifth Report on the business of this Department. The steady increase of that business during the financial year ended the 30th ultimo is a satisfactory indication of progress.

NEW BUSINESS.

The following statement shows the particulars of proposals received, and the number of policies issued during the year, including 71 policies issued on proposals returned as not completed in last year's report :—

CLASS.	RECEIVED.		DECLINED, AND NOT COMPLETED.		POLICIES ISSUED.	
	No.	Amount.	No.	Amount.	No.	Amount.
		£ s. d.		£ s. d.		£ s. d.
Insurance	1,980	673,910 0 0	533	181,600 0 0	1,465	503,260 0 0
Endowment	29	3,950 0 0	5	600 0 0	27	3,650 0 0
Annuities	9	(£423 per annum.)	2	(£140 per annum.)	7	(£283 7s. per annum.)
Total	1,968	677,860 0 0	540	182,200 0 0	1,499	506,910 0 0

The following is a summary of the particulars of the new business effected :—

CLASS.	No. of Policies.	Sum Assured.	Single Premium.	Annual Premiums.
		£	£ s. d.	£ s. d.
Insurance	1,465	503,260 0 0	...	15,889 13 1
Endowment	27	3,650 0 0	...	196 1 1
Annuity	7	(£283 7s. per annum.)	2,127 3 6	10 4 2
Total	1,499	506,910 0 0	2,127 3 6	16,095 18 4
TOTAL NEW PREMIUMS				18,223 1 10

The foregoing return shows that the sum of £16,095 18s. 4d., in the shape of New Annual Premiums, has been added during the last year to the gross annual income of the department.

CLAIMS.

The claims, amounting to £6,700, during the year, have been 14 in number, caused by the death of 14 persons.

ACCOUNTS.

I attach the account (No. 1) prescribed by the 29th section of "The Government Annuities Act, 1869," and also a statement of the receipts and expenditure of the department, in accordance with the form of account prescribed by law for private Insurance Companies. The income for the year from all sources amounts to £45,734 14s. 5d., and the excess of receipts over disbursements is £30,303 16s. The balance at the credit of the department on the 30th June last is £67,105 9s. 8d.

A summary of the policies discontinued since the establishment of the department is given in the following table :—

How Discontinued.	No. of Policies.	ASSURANCE BRANCH.		No. of Policies.	ENDOWMENT BRANCH.		No. of Policies.	ANNUITY BRANCH.	
		Sum Assured.	Annual Premiums.		Sum Assured.	Annual Premiums.		Amount of Annuity per Annum.	Annual Premiums.
		£	£ s. d.	...	£	£ s. d.	...	£ s. d.	£ s. d.
By Death or Maturity.	31	13,800	457 14 11	...	...	...	...	...	...
„ Surrender.	5	3,200	88 3 3	1	100	4 11 6	1	50 0 0	21 5 0
„ Lapse.	470	130,050	3,760 9 7	6	700	38 5 5	...	...	...
	506	147,050	4,306 7 9	7	800	42 16 11	1	50 0 0	21 5 0

Making a total of 514 policies, assuring £147,850; discontinued from all causes since the establishment of the department to the 30th June, 1874, which is less than 12 per cent. on the number of policies issued.

CONSOLIDATING AND AMENDING ACT.

At your request, I prepared, with the assistance of the Attorney-General, a Consolidating and Amending Insurance Bill. The chief amendments are,—

1. The power of making loans to policy-holders upon the security of the surrender value of their policies.
2. The investment of Insurance funds in securities of New Zealand, or of the United Kingdom, or of the Australasian colonies, issued under the authority of the Parliaments of the said countries respectively, or in any provincial or municipal securities in New Zealand issued under Parliamentary authority.
3. The requirement of a quinquennial Actuarial investigation and valuation of the business of the department, and of the publication of annual accounts, in the form required by law from private Insurance Companies.
4. The distribution of clear profits, when ascertained by actual calculation, after the deduction of a sufficient reserve similarly ascertained, among holders of policies, in accordance with resolutions to be passed by both Houses for regulating that distribution. The calculation to be made at the time of the second and subsequent quinquennial Actuarial investigations.

As this Bill is now under the consideration of the Legislature, I refrain from remark on these proposed changes, beyond stating generally that I believe their adoption would be conducive to public interests.

There is another subject of importance to which I would call attention. It is obvious that, in order to secure fully the beneficial object of State Insurance, its operation should be extended to the mass of the community. Experience every day shows that in the poorer classes, of which that mass is constituted, the want of posthumous provision for the support of families is a prolific cause of destitution, ignorance, and crime. The aim should be to facilitate the insurance of the multitude who live from hand to mouth, and who are practically unable to lay by savings for the payment of premiums at long intervals. In pursuance, therefore, of that aim, it is advisable to make arrangements for enabling weekly payments to be made, thus rendering this institution as accessible as possible, and extending its benefits to the large majority whose adoption of it is of vast social importance, but who otherwise would not generally adopt it. Actuated by these views, I have caused a special table to be prepared, under which weekly payments will secure life insurances for sums not exceeding £200. I propose that for the present the use of this table should be confined to members of Friendly Societies, whose co-operation will be invited. The rates are higher than under existing tables, in order to meet the necessarily greater expenditure incurred in the collection of weekly premiums, and the greater risk of loss from lapses; but the facilities of payment given to insurers will, it is expected, far outweigh, as experience has shown elsewhere, this excess. As this proposal has met with your approval, I trust that the table and the regulations accompanying it may soon come into force. The proposal, I may observe, is in the direction pursued with unparalleled success in the United Kingdom by the Prudential Assurance Company in its Industrial Branch.

Another table which has been prepared, and which I have submitted to the Government, is a special one for clergymen of all denominations, allowing, on the basis of statistical experience, a special reduction in the case of clerical lives; but such table is only to be used in furtherance of any arrangement which may be made by a denomination for the establishment of a Pension and Superannuation Fund for its clergymen, and of a Charitable Fund for their widows and orphans. It is hoped that by this means religious bodies will be enabled to establish such Funds on a sound and satisfactory basis. Should that result be attained, a considerable social benefit will be secured, for it is a matter of public importance that those who exclusively devote themselves to the moral welfare of others, should be relieved from anxiety on the subject of temporal provision for themselves in their old age, and for their families after their own death.

I have the honor to be,

Sir,

Your most obedient humble servant,

W. GISBORNE,

Commissioner.

The Hon. the Colonial Treasurer, &c., &c.

No. 1.

RETURN showing the Gross Amount of all Sums of Money received, and the Gross Amount of Life Assurance Endowments and Annuities granted, from the 1st July, 1873, to 30th June, 1874.

MONEYS RECEIVED.	Insurances granted.			Endowments granted.			Annuities granted.		
	No.	Amount.		No.	Amount.		No.	Amount.	
		£	s. d.		£	s. d.		£	s. d.
Insurance ...	1465	£40,788	9 1	...	503,260	0 0	...	...	...
Endowment ...	...	450	5 1	27	3,650	0 0	...	...	...
Annuities ...	...	2,140	15 1	...	...	...	7	283	7 0
Fines and Fees ...	...	23	7 1	...	...	...	...	...	...
Interest ...	...	2,331	18 1	...	...	...	...	...	...
Total, 1873-74 ...	1465	45,734	14 5	27	3,650	0 0	7	283	7 0
" 1872-73 ...	1131	31,490	12 0	23	2,400	0 0	7	253	0 0
" 1871-72 ...	1322	18,100	19 2	27	3,000	0 0	6	345	10 8
" 1870-71 ...	395	7,151	8 4	10	1,100	0 0	4	352	5 0
" 70 ...	53	357	8 0	...	...	...	...	...	...
Totals ...	4366	1,588,909	0 0	87	10,150	0 0	24	1,234	2 8

No. 2.

STATEMENT of Receipts and Disbursements for the Year ending 30th June, 1874.

RECEIPTS.			EXPENDITURE.		
	£	s. d.		£	s. d.
Balance on 30th June, 1873 ...	36,801	13 8	Claims on Assurance Policies ...	6,233	6 8
Insurance Premiums, New and Renewal ...	40,788	9 1	Annuities Paid ...	800	0 4
Insurance Fines and Fees ...	23	7 1	Commission ...	1,566	3 6
Endowment Premiums, New and Renewal ...	450	5 1	Expenses of Management:—		
Annuity Premiums, New ...	2,140	15 1	Travelling Expenses of Agents ...	1,354	14 0
Interest from Investments ...	2,331	18 1	Medical Fees ...	2,040	3 0
			Advertising ...	403	19 0
			Salaries ...	2,491	9 6
			Extra Clerical Assistance ...	173	18 3
			Printing and Binding ...	229	11 6
			Rent ...	14	10 0
			Miscellaneous ...	123	2 8
			Balance in favour of Department on 30th		
			June, 1874 ...	67,105	9 8
	£82,536	8 1		£82,536	8 1

NOTE.—The discrepancy between the Balance on 30th June last, above shown, and the Balance shown in the Treasury Accounts, arises in consequence of the Treasury crediting the Department only with such moneys collected in the colony as have been received at Wellington, while the above statement shows the moneys received and brought to charge by the Agents of the Department throughout the colony up to the 30th June last.

