

1882.
NEW ZEALAND.

GOVERNMENT INSURANCE COMMISSIONER
(ANNUAL REPORT OF THE).

*Prepared for Presentation to both Houses of the General Assembly in pursuance of Section 41 of
"The Government Insurance and Annuities Act, 1874."*

Government Insurance Office, Wellington, 26th August, 1882.

I HAVE the honor to submit the accounts of this Department for the year ended 30th June last, and to report thereon and on the business done in the period named.

ORDINARY BRANCH.

In the Ordinary Branch there were received during the year new proposals to the number of 3,216 for a gross sum of £940,737, of which 693 were declined or were not closed, leaving 2,523 proposals for which policies were issued, assuring £702,912, and producing a new premium income of £26,488 14s. 8d.

These figures exhibit an increase of £152,561 on the sum assured when compared with the new assurances effected in the year immediately preceding. The new business is detailed in the following table:—

Class.	No. of Policies.	Sum Assured.	Single Premiums.	Annual Premiums.
Assurance	2,507	£ 701,812	£ s. d. 2,053 15 11	£ s. d. 21,783 9 0
Endowment	10	1,100	53 3 6	45 6 3
Annuity	6	£244 9s. 9d. per ann.	2,553 0 0	...
Total	2,523	702,912	4,659 19 5	21,828 15 3
Add Single Premiums ... ..	...	...	...	4,659 19 5
		Total New Premiums	...	£26,488 14 8

The claims arising by death numbered 83 policies on the lives of 74 persons assured, representing the sum of £35,040 of original assurances, which amount was increased by bonus additions to £36,759 17s. The sum of £300 was also paid on endowment policies, three of which matured during the year. The death-rate is considerably below the average expectation, and the payments made on account of these claims are nearly met by the accrued interest on the funds invested, which for the year reached £31,309 17s. 5d. The continued low rate of mortality, and the rapid growth of the income from investments, are circumstances of a highly satisfactory character.

The number of policies discontinued, and the modes of discontinuance appear in the table below:—

Mode of Termination.	ASSURANCE POLICIES.			ENDOWMENT POLICIES.			ANNUITY POLICIES.		
	No.	Sum Assured.	Annual Premiums.	No.	Sum Assured.	Annual Premiums.	No.	Amount of Annuity per Annum.	Annual Premiums.
By death	83	£ 35,040	£ 1,195 14 8	...	...	...	...	...	...
„ maturity ... ..	...	...	...	3	300	20 14 8	...	...	...
„ surrender	136	55,610	2,011 15 10	3	400	24 6 1	...	...	...
„ lapse	897	258,178	7,725 19 10	1	100	3 16 0	...	...	...
„ expiry, &c. ... ..	...	...	424 16 7	...	...	...	...	...	...
„ reduction ... ..	...	9,492	304 9 7	...	...	...	...	...	...
„ cancellation	1	250	12 3 0	...	...	...	...	...	...
Total decrease	1,117	358,570	11,674 19 6	7	800	48 16 9	...	...	...

At the close of the year the total sum assured in the Ordinary Branch, on 13,806 policies in force, was £4,695,538.

The year's revenue from all sources was £171,315 15s. 3d., being an increase of £14,700 4s. 10d. on the revenue of the previous year.

The accumulated fund amounted to £653,890 7s. 9d., showing an increase of funds by the year's transactions of £96,659 15s. 11d., notwithstanding the additional expenditure in reversionary and cash bonuses paid during the year.

INDUSTRIAL BRANCH.

In accordance with the promise of the Government, expressed in Parliament last session, the Industrial Branch, which for some years was held in abeyance, has been reconstructed, and was placed in active operation on 13th March last. The result in the business accomplished, as shown by the experience of the last few months, has largely exceeded the expectations which were entertained at the outset.

Up to 30th June last the new Industrial policies numbered 2,593. Of these, 1,690 were policies issued on the lives of infants, on which a weekly payment of twopence each is collected. These policies show an average amount assured at entry of about £6 10s. 7d. each, which sum increases with every year the policy endures until the child attains the age of 12 years, when the amount assured becomes fixed at £20. The Industrial policies issued on adult lives were 903, with an average amount assured of £51 7s. 6d., and an average weekly premium of 8½d.

The average sum assured, including both infantile and adult policies, is £22 3s., with a weekly premium of 4½d.; giving, approximately, a total sum assured by the new policies issued between 13th March and 30th June of £57,425, producing an annual premium-revenue of £2,400. The progress of this branch continues rapidly to increase, and gives promise of a wide development—the new policies issued from the Industrial Branch, down to the date of this Report, already exceeding five thousand.

GENERAL REMARKS.

Taking together the new business for the year, in both Branches, the total amount of new assurances effected in the period is £760,337, which is the largest sum assured in the Department in any one year since the establishment of the office. The experience of the year now entered upon appears to indicate a continued expansion.

With the beginning of the now current financial year (1st July) a new feature was introduced into the department, a special section being then opened for the insurance of the lives of total abstainers from intoxicating liquors. The tables of premiums for insurers in this section are the same as for others; but they are entered in a separate class, and the profits which may accrue are to be allocated solely amongst those insured therein, and who adhere in practice to the total abstinence principles they profess. Those who fail to fulfil this special condition of the contract, forfeit their right to any share in such profits, and are placed in a non-participating class. Numerous Temperance Societies have signified their satisfaction with the introduction of the experiment.

Attention has been devoted to the work of liberalizing the departmental regulations and practice, with the view of offering to the assured the fullest advantages that careful management would warrant. To encourage early habits of thrift among the young, the tables of premiums have been extended, so as to include lives from age 15 upward; and the more liberal method of reckoning the "nearest" birthday, as the basis of the premium-rate for age at entry, has now been adopted in the Department in lieu of that of the "next" birthday, which is almost invariably used among Insurance Offices. Arrangements are in progress for increasing the opportunities for the revival of lapsed policies, and for enlarging the conditions under which such revivals may be secured. Further improvements will be effected as the growing experience of the life assurance system may suggest and justify.

The Accounts for the year of both Branches, certified by the Audit Office, are appended to this Report.

D. M. LUCKIE,
Commissioner.

