

1883.  
NEW ZEALAND.

## GOVERNMENT INSURANCE COMMISSIONER

(REPORT OF THE, FOR THE HALF-YEAR ENDED 31st DECEMBER, 1882).

*Prepared for Presentation to both Houses of the General Assembly in pursuance of Section 41 of "The Government Insurance and Annuities Act, 1874," and of Section 15 of "The Public Revenues Act, 1882."*

Wellington, 31st May, 1883.

By a clause in the Public Revenues Act, passed in last session of Parliament, provision was made for changing the financial period of this Department so that it might run concurrently with the calendar year, instead of terminating, as previously, on the 30th June. In accordance with this provision the accounts of the Department which I have now the honour to submit are prepared for the period of six months from 1st July to 31st December, 1882, inclusive.

The details given below show an amount of new business for the six months in excess of that accomplished in any former financial period of twelve months duration. The success which has thus attended the operations of the Department is gratifying, not only from the extent of the business and its character, but also because of the fact that the manifold benefits which the Government offers in the shape of low premiums, liberal regulations, and above all the inviolable security of the colony, are being more and more recognized and taken advantage of by all classes. This is more evident now than heretofore, and I venture to say that the rapid progress which has marked the growth of the Department is one of the best reasons for its existence.

### ORDINARY BRANCH.

New proposals in this branch received for the half-year ended 31st December numbered 3,344, for a total sum of £844,640. Of these 797 were declined or were not taken up, leaving 2,547 proposals, on which were issued policies assuring the sum of £631,279, and producing a new premium income of £20,404 5s. 8d.

The separate temperance section mentioned in my last report, and into which only total abstainers from intoxicating liquors are admitted, was opened on the 1st July last. The expectations of success which were entertained on the establishment of the section have been fully realized, 472 policies, for an assured sum of £111,225, producing an annual premium income of £3,281 11s. 4d., having been issued during the first six months, as specified in the table which follows:—

Class.	No. of Policies.	Sum Assured.	Single Premiums.	Annual Premiums.
		£	£ s. d.	£ s. d.
Assurance—General section ...	2,066	519,329	966 11 5	15,876 16 8
Assurance—Temperance section ...	472	111,225	0 17 8	3,281 11 4
Endowment ...	7	725	79 7 10	26 19 0
Annuity ...	2	£13 8s. per annum	172 1 9	...
Total ...	2,547	631,279	1,218 18 8	19,185 7 0
Add single premiums ...	...	...	...	1,218 18 8
		Total new premiums ...	...	£20,404 5 8

Death claims on 44 policies, representing 42 persons, have arisen during the half-year. The amounts payable on these claims, including bonus additions and allowances for prospective or intermediate bonuses, amounted to £19,857 16s. One endowment assurance and three endowments, for a total of £500, attained maturity within the period. The mortality experienced is still much below the expected ratio, while the interest received on investments nearly reaches the total amount payable under these claims, a circumstance which, considering the comparative youth of the office, cannot fail to be deemed satisfactory.

In the next table will be found the number of policies which have lapsed, and the modes of their discontinuance :—

Mode of Termination.	No. of Policies.	ASSURANCE POLICIES.			No. of Policies.	ENDOWMENT POLICIES.			No. of Policies.	ANNUITY POLICIES.		
		Sum Assured.	Annual Premiums.			Sum Assured.	Annual Premiums.			Amount of Annuity per Annum.	Annual Premiums.	
		£	£	s. d.		£	£	s. d.		£	£	s. d.
By death ... ..	44	19,200	642	10 6	...	...	...	...	...	...	...	...
„ maturity ... ..	1	100	12	10 0	3	400	33	3 8	...	...	...	...
„ surrender ... ..	81	31,050	1,051	0 7	3	400	15	18 4	...	...	...	...
„ lapse ... ..	327	91,250	2,671	19 8	3	400	28	10 2	...	...	...	...
„ expiry, &c. ... ..	2	650	601	9 6	...	...	...	...	...	...	...	...
„ reduction ... ..	...	4,550	155	18 0	...	...	...	...	...	...	...	...
„ return of premium ... ..	...	...	...	...	1	100	28	10 0	...	...	...	...
Total decrease ... ..	455	146,800	5,135	8 3	10	1,300	106	2 2	...	...	...	...

A decrease in the number of lapses is shown in this table as compared proportionately with those of the previous year. This reduction is mainly due to an evident increased disposition on the part of persons assured in the Government office to maintain their policies in force by regular payment of premiums, and also to improved and more liberal arrangements which the Department has instituted for the prevention of lapses, and for extending, so far as a due regard to safety permits, the non-forfeiture period.

On 31st December last the total number of policies in force in the Ordinary Branch was 15,888, insuring £5,178,717, exclusive of bonus additions, showing a net increase in the six months of 2,082 policies, and of £483,179 on the sum assured.

The revenue of this branch for the half-year from all sources was £94,789 1s. 5d.

The accumulated fund at the close of the half-year amounted to £704,888 14s. 11d., showing an advance for the half-year of £50,998 7s. 2d.

#### INDUSTRIAL BRANCH.

During the six months there were issued in this branch 6,288 new policies, assuring a total sum of £158,527 17s. Of these, 2613, assuring £137,363 17s., for a total weekly premium of £111 6s. 9d., were adult risks, and 3,675, assuring approximately £21,164, for a weekly premium of 2d. each, were on the lives of children.

The policies in force at the end of the year numbered 7,551, assuring £177,183 4s., for a total weekly premium of £156 5s. 8d. The claims arising during the half-year comprised 19, of which 16 arose under infantile policies, and amounted to £66, while 3 were under adult policies, and amounted to £65 19s. 6d., making a total of £131 19s. 6d.

#### GENERAL REMARKS.

The total new business of the two Branches for the half-year under notice may be here briefly recapitulated, and some further figures given which will show the new business completed during the entire calendar year ended with the 31st December last.

TABLE SHOWING THE NEW BUSINESS OF THE YEAR 1882.

PERIOD.	ORDINARY BRANCH.		INDUSTRIAL BRANCH.		TOTALS.	
	Policies Issued.	Amount Assured.	Policies Issued.	Amount Assured.	Policies Issued.	Amount Assured.
Latest half-year to 31st December, 1882 ... ..	2,547	£631,279	6,288	£158,527	8,835	£789,806
Preceding half-year to 30th June, 1882 ... ..	1,831	488,737	2,593	57,425	4,424	546,162
Totals for both branches for the calendar year	4,378	1,120,016	8,881	215,952	13,259	1,335,968

This very large extension of the new business of the Department speaks for itself, and offers the best possible evidence of the great usefulness and benefit afforded to the community by the Government insurance scheme.

During the last year a new prospectus in a popular form was carefully prepared and printed. It embodies new and improved tables and sets forth greater advantages, in the more liberal treatment of the assured, and in the limitation of restrictions and removal of exactions heretofore generally practised, than are offered by any other life insurance office within the bounds of the Australasian Colonies, or, indeed, in any part of the world.

Among the new tables are those relating to the deferred bonus scheme, under which insurance is proffered at rates lower than the ordinary tables. The profits accruing under the scheme will be divided on a system favourable to good lives, no share being given to the representatives of those by whose early death there is a loss.

A few of the other improved conditions enumerated in the prospectus may be briefly narrated. They are—

- (1.) Policies, once issued and the age admitted, are unchallengeable except for fraud.
- (2.) There is now no restriction whatever on policyholders as regards travelling and residence.
- (3.) Proposers are now accepted without extra charge for occupation, with the single exception of those connected with the liquor traffic.
- (4.) Special facilities are afforded for payment of premiums by order on the assured's account in the Post-Office Savings-Bank, and by postage-stamp cards where desirable.
- (5.) A liberal and early surrender value is allowed.
- (6.) An improved system has been established for preventing forfeiture of policies by extending the time for keeping them in force, and for giving extremely liberal terms on which lapsed policies may be revived.
- (7.) In case, during the currency of a quinquennial period, of the termination, by death or maturity, of a participating policy, on which two years' premiums have been paid, a prospective bonus is added to the amount insured without waiting for the next division of profits.

This last method has been adopted in order to produce an approximate benefit for such terminating policies as nearly as possible equivalent to an annual division of profits without incurring the cost of yearly valuations.

The Accounts of both branches for the half-year reported on, certified by the Auditor-General, are appended hereto.

D. M. LUCKIE,  
Commissioner.

REVENUE ACCOUNT of the GOVERNMENT INSURANCE DEPARTMENT (Ordinary Branch) for the half-year ended 31st December, 1882.

	£	s.	d.		£	s.	d.	£	s.	d.
Amount of funds on 1st July, 1882	653,890	7	9	Claims under policies, Assurance, including bonus additions	...	...	...	19,857	16	0
Renewal premiums—Assurance, Annuity, and Endowment	67,830	14	9	Endowments matured	...	...	...	500	0	0
New premiums on 2,547 policies, assuring £631,279, and yielding an annual revenue of £19,185 7s.	*8,036	18	4	Bonuses surrendered for cash	...	...	...	924	10	4
Single premiums—Assurance and Endowment	1,035	16	9	Annuities	...	...	...	1,210	6	10
Consideration for annuities granted	172	1	9	Surrenders	...	...	...	4,955	2	9
Interest	17,711	0	11	Commission, New	5,502	1	6			
Fees	2	8	11	"    Renewal	644	19	7	6,147	1	1
				Expenses of Management,—						
				Salaries, Head Office	3,216	9	4			
				"    Branch Offices and Agents	813	11	3			
				"    Extra clerical assistance	427	14	6			
				Medical fees	2,906	19	6			
				Travelling expenses	387	10	11			
				Advertising	526	18	0			
				Printing and stationery	748	17	3			
				Rent	150	0	0			
				Postage	400	0	0			
				Telegrams	120	5	5			
				Exchange	49	19	1			
				Office furniture, depreciation	166	10	0			
				General expenses	281	2	0			
								10,195	17	3
				Amount of funds on 31st December, 1882				704,888	14	11
								£748,679	9	2
								£748,679	9	2

\*This amount, as heretofore, includes *only the first payment* of premiums whether annual, half-yearly, quarterly, or monthly, all subsequent payments being treated as renewals.

## BALANCE-SHEET of the GOVERNMENT INSURANCE DEPARTMENT (Ordinary Branch) on 31st December, 1882.

LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account) ...	704,888	14 11	Loans on policies ...	43,892	3 8
Claims announced but not paid ...	10,965	7 6	Government securities ...	575,400	0 0
Surrenders ...	114	2 6	Railway debentures (guaranteed by Government) ...	40,000	0 0
Bonuses surrendered for cash ...	4	3 6	Municipal Corporation debentures ...	9,172	0 0
Commission (new) ...	895	8 7	Otago University debentures ...	15,000	0 0
Medical fees ...	684	12 0	Office furniture (Head Office and Agencies) ...	1,553	6 6
Sundry accounts owing ...	160	9 11	Overdue premiums on policies in force ...	£4,882	5 0
Premium deposits ...	1,314	17 3	Outstanding premiums due in December, 1882 ...	9,641	7 5
			Interest outstanding ...	2	9 4
			Interest accrued, not due ...	1,836	9 3
				14,523	12 5
			Agents' balances ...	1,438	18 7
			Temporary advance to Industrial Branch ...	1,816	10 9
			Cash on current account ...	14,417	4 5
				£719,027	16 2
				£719,027	16 2

Government Insurance Office, Wellington, 23rd February, 1883.

D. M. LUCKIE,  
Commissioner.

Examined and found correct:

JAMES EDWARD FITZGERALD,

Controller and Auditor-General.

## REVENUE ACCOUNT of the INDUSTRIAL BRANCH for the half-year ended 31st December, 1882.

			LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.		£	s. d.
Amount of funds on 1st July, 1882 ...	274	17 4	Claims ...	131	19 6			
Premiums ...	2,744	12 3	Surrenders ...	16	3 8			
Fees ...	0	4 4	Commission, New ...	£490	4 11			
			"    Renewal ...	139	8 5			
				629	13 4	Salaries ...	827	19 0
						Medical fees ...	478	17 1
						Travelling expenses ...	83	12 8
						Advertising ...	24	0 1
						Printing and stationery ...	84	13 3
						Rent ...	25	0 0
						Postage ...	100	0 0
						Telegrams ...	22	1 1
						General expenses ...	41	1 7
						Interest ...	20	0 0
						Amount of funds on 31st December, 1882 ...	534	12 8
							£3,019	13 11
							£3,019	13 11

## BALANCE-SHEET of the INDUSTRIAL BRANCH on the 31st December, 1882.

LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.
Total funds (as per Revenue Account) ...	534	12 8	Preliminary expenses on re-opening branch (to be written off during current quinquennium) ...	2,201	12 8
Rent ...	25	0 0	Office furniture ...	60	10 0
Temporary advance from Ordinary Branch ...	1,816	10 9	Cash in hands of agents ...	114	0 9
				£2,376	3 5
				£2,376	3 5

Government Insurance Office, Wellington, 23rd February, 1883.

D. M. LUCKIE,  
Commissioner.

Examined and found correct:

JAMES EDWARD FITZGERALD,

Controller and Auditor-General.