

1885.  
NEW ZEALAND.

## NEW ZEALAND GOVERNMENT LIFE INSURANCE ASSOCIATION

(ANNUAL REPORT OF THE), FOR THE YEAR ENDED 31st DECEMBER, 1884.

*Presented to both Houses of the General Assembly pursuant to Section 66 of "The New Zealand Government Insurance Association Act, 1884."*

Head Office, Wellington, 19th May, 1885.

THE Central Board of the New Zealand Government Life Insurance Association have the honour to report as follows, for the year 1884:—

At the commencement of the present year "The New Zealand Government Insurance Association Act, 1884," came into operation, constituting the Government Insurance Department a corporate association, under a Central Board of Directors. Of these Directors, four were appointed specially by the statute, three were nominated by His Excellency the Governor, and three were elected by the policy-holders. The Directors appointed by the Act are the Colonial Treasurer (Chairman of the Board), the Solicitor-General, the Secretary to the Treasury, and the Public Trustee. The three Directors nominated by the Governor, in compliance with the Act, are Messrs. J. H. Bethune, Nicholas Reid, and G. V. Shannon. The three Directors elected by the policy-holders are Messrs. H. D. Bell, George Fisher, and George S. Graham.

The revenue accounts and balance-sheets for the calendar year ended the 31st December last, certified by the Controllor and Auditor-General, are appended to this Report. The particulars of the business done in that period are narrated below, under the respective heads.

### ORDINARY BRANCH.

The new proposals received in this branch during the year numbered 4,520, for a total sum of £1,137,217 4s. 7d. Of these, 3,309 became policies insuring £800,016 1s. 9d.; 396 were declined; the remainder were not taken up. These numbers are lower than those of the year 1883; but an analysis of the business month by month discloses the fact that the new business effected in the latter half of the year under notice was fully double that of the former half.

The following tabular statement shows the number, amount, and character of the policies issued:—

#### NEW BUSINESS

Class.	No. of Policies.	Sum Assured.			Single Premiums.			Annual Premiums.			
		£	s.	d.	£	s.	d.	£	s.	d.	
Assurance—General section ..	2,309	594,492	0	0	2,255	3	9	18,031	5	8	
Assurance—Temperance section ..	842	197,475	0	0	8	15	0	5,632	5	11	
Endowment .. .. .	152	8,049	1	9	..	..	..	410	0	6	
Annuity .. .. .	6	310	1	2 per an.	2,612	12	10	..	..	..	
<b>Total .. .. .</b>	<b>3,309</b>	<b>800,016</b>	<b>1</b>	<b>9</b>	<b>4,876</b>	<b>11</b>	<b>7</b>	<b>24,073</b>	<b>12</b>	<b>1</b>	
Add single premiums .. .. .	..	..	..	..	..	..	..	4,876	11	7	
								<b>Total new premiums ..</b>	<b>28,950</b>	<b>3</b>	<b>8</b>

The amount paid for claims of all kinds, including endowment policies matured, and also bonus additions and allowances for prospective or intermediate bonuses, was £51,380 11s., representing 146 policies, insuring 135 lives. The claims through death are considerably within the expectation of mortality upon which the tables are based.

The discontinued policies during the period reported on were as follows:—

	ASSURANCE POLICIES. General Section.			ASSURANCE POLICIES. Temperance Section.			ENDOWMENT POLICIES.		
	No. of Policies.	Sum Assured.	Annual Premiums.	No. of Policies.	Sum Assured.	Annual Premiums.	No. of Policies.	Sum Assured.	Annual Premiums.
		£	£ s. d.		£	£ s. d.		£	£ s. d.
By Death .. .. .	130	47,214	1,629 2 7	3	725	23 10 0	..	..	..
Maturity .. .. .	6	900	81 14 4	..	..	..	7	800	51 13 0
Surrender .. .. .	332	114,136	3,910 10 10	9	3,950	114 7 3	..	..	..
Lapse .. .. .	1,367	337,136	9,981 10 8	200	36,420	1,097 4 8	149	5,379	251 10 4
Expiry, &c. .. .. .	6	2,750	399 16 5	2	700	14 14 11	13	1,595	68 17 8
Reduction .. .. .	..	10,075	311 14 3	..	1,950	45 0 6	..	..	..
<b>Total .. .. .</b>	<b>1,841</b>	<b>512,211</b>	<b>16,314 9 1</b>	<b>214</b>	<b>43,745</b>	<b>1,294 17 4</b>	<b>169</b>	<b>7,774</b>	<b>372 1 0</b>

The policies in force in the Ordinary Branch, in both General and Temperance Sections, numbered 20,997, insuring £6,138,475; the average amount of each policy in force is £292 7s.

The income of the Ordinary Branch for the year was £228,434 6s. 11d., of which £48,472 8s. 1d. was interest on invested funds.

#### ACCUMULATED FUNDS.

The accumulated fund on 31st December last amounted to £972,775 14s. 8d., showing a net increase of £126,616 4s. 1d. For the purpose of showing the growth of the funds during the past ten years the following table is given:—

	£	s.	d.
Accumulated funds, 30th June, 1875 .. .. .	109,967	12	1
" " " 1876 .. .. .	153,717	7	6
" " " 1877 .. .. .	219,394	4	0
" " " 1878 .. .. .	292,523	2	4
" " " 1879 .. .. .	371,889	16	9
" " " 1880 .. .. .	459,335	17	0
" " " 1881 .. .. .	557,230	11	10
" " " 1882 .. .. .	653,890	7	9
" " 31st Dec., 1882 .. .. .	704,888	14	11
" " " 1883 .. .. .	846,159	10	7
" " " 1884 .. .. .	972,775	14	8

NOTE.—At the date of this report the accumulated fund at the credit of the Association exceeds one million sterling.

The rapid increase of funds exhibited in this table is believed to be without parallel in the history of any life office in the British dominions.

#### INDUSTRIAL BRANCH.

2,679 policies were issued during the year. Of these, 593, assuring £21,426 11s., with a total weekly premium of £18 15s. 8d., were adult risks, the remainder, for a weekly premium of 2d. each, being on the lives of children. On the 31st December the policies in force numbered 7,928, assuring £93,944 8s. on the adult policies, and a varying sum on those of the children. The weekly premium on the policies in force amounted to £123 11s. 8d.

40 death claims occurred during the year, of which 25 were under infantile policies, and amounted to £128, while the sum assured under the 15 adult cases amounted to £557 1s.

#### GENERAL REMARKS.

Although the operations of the Association under its new constitution do not come within the limits of last year's proceedings, yet it will be of interest to the policy-holders to learn something of the new organization. The Board are of opinion that it will work well. It will tend to popularize the institution, as well as to necessitate careful deliberation on all points affecting its welfare. Everything of importance outside the routine duties comes before the Board, which sits from three to four hours a week. But, besides the duties performed at the Board meetings, a great deal is done by Committees. There are Committees which examine and report to the Board on all expenditure, on all alterations in the staff, and on the office requirements, including building. Whilst precaution is taken not to bring the names of proposers and policy-holders before the Board, all cases of exceptional character have careful consideration, and supervision is exercised over the routine business without invasion of its confidential nature. On the whole, a great deal of work of a beneficial character is effected which has not been practicable under a purely Government management. On the other hand, the connection with the Government gives great facility for investment of funds which are never idle. The Board are lending, and propose to lend, considerable amounts on mortgage of real property, but they are very careful to investigate all the conditions attaching to each application they receive.

It is proposed to establish local Boards at once at Auckland, Christchurch, and Dunedin. This was decided on after careful deliberation, but the three elected members of the Board were opposed to it. The other members were in favour of it, excepting the Solicitor-General, whose opinion is not known, he having, from ill-health, not been able to attend the meetings of the Board. So large a majority of the Board being in favour of the establishment of local Boards, it was not thought necessary to invite the opinions of the policy-holders. It is, however, considered desirable that they should know of the difference of opinion amongst the members of the Board, and also that, should they desire to move in the matter, the Board will give respectful consideration to their representations if made by a resolution, concerning which a poll of all the policy-holders can be taken. It must be understood that the Directors do not invite such expression of opinion, the majority of them being, as stated, convinced of the expediency of establishing the proposed local Boards. They think it right, however, to state the circumstances, and to point out to the policy-holders that action is open to them if they desire it.

JULIUS VOGEL, Chairman.

H. D. BELL, }  
N. REID, } Directors.

D. M. LUCKIE, Acting General Manager.

REVENUE ACCOUNT of the NEW ZEALAND GOVERNMENT LIFE INSURANCE ASSOCIATION (Ordinary Branch) for the Year ended 31st December, 1884.

	£	s.	d.		£	s.	d.
Amount of funds at 31st December, 1883	846,159	10	7	Claims under Policies Assurance (including bonus additions)	50,580	11	0
Renewal premiums—Assurance, Annuity, and Endowment	164,691	13	3	Endowments matured	800	0	0
New premiums on 3,309 policies, assuring £800,016 ls. 9d., and yielding an annual revenue of £24,073 12s. 1d.	10,387	4	4	Bonus surrendered for cash	690	13	6
Single premiums—Assurance and Endowment	2,267	10	0	Annuities	2,689	11	3
Consideration for annuities granted	2,612	12	10	Surrenders	18,021	14	4
Interest	48,472	8	1	Commission, new	£7,040	17	6
Fees	2	18	5	"    renewal	1,082	13	10
				Expenses of Management—			
				Salaries—Head Office	8,157	19	3
				"    Branch Offices and Agents	2,260	17	0
				Medical Fees	4,383	10	10
				Travelling Expenses	1,158	17	11
				Advertising	439	19	5
				Printing and Stationery	1,238	14	6
				Rent	554	15	1
				Postage	850	0	0
				Telegrams	386	12	5
				Exchange	116	6	9
				Office furniture (depreciation)	215	14	7
				General expenses	1,148	13	8
					20,912	1	5
				Amount of funds at 31st December, 1884	972,775	14	8
					£1,074,593	17	6
					£1,074,593	17	6

D. M. LUCKIE.

Government Insurance Office, 9th April, 1885.

Examined and found correct—

JAMES EDWARD FITZGERALD, Controller and Auditor-General.

BALANCE-SHEET of the NEW ZEALAND GOVERNMENT LIFE INSURANCE ASSOCIATION (Ordinary Branch) on 31st December, 1884.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
Total Assurance, Annuity and Endowment				Loans on policies	85,783	17	0
Funds (as per Revenue Account)	972,775	14	8	Government securities	458,100	0	0
Claims announced not paid	11,817	2	0	Railway debentures (guaranteed by Government)	40,000	0	0
Surrenders	91	19	10	Railway debentures	35,000	0	0
Annuities	37	11	9	Municipal Corporation debentures	26,322	0	0
Commission (new)	649	15	3	Otago University debentures	15,000	0	0
"    (renewal)	90	17	6	Landed and house property	18,000	0	0
				Fixed deposits	250,000	0	0
				Office furniture (Head Office and Agencies)	1,941	11	8
Medical fees	1,004	6	6	Mortgages on property	5,000	0	0
Premium deposits	1,503	10	11	Overdue premiums on policies in force	£9,119	17	8
Exchange	22	16	4	Outstanding premiums due in December, 1884	15,797	9	11
Printing and stationery	307	15	3				
Sundry accounts owing	151	11	11	Interest outstanding	1,277	11	11
				"    accrued not due	9,986	1	6
					11,263	13	5
				Agents' balances	11,497	12	9
				Temporary advance to Industrial Branch	520	0	3
				Sundry accounts owing	221	4	3
				Cash on current account	4,885	15	0
					£988,453	1	11
					£988,453	1	11

D. M. LUCKIE.

Government Insurance Office, 9th April, 1885.

Examined and found correct—

JAMES EDWARD FITZGERALD, Controller and Auditor-General.

