

1895.  
NEW ZEALAND.

# ANNUAL REPORT

OF THE

## GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1894.

*Presented to both Houses of the General Assembly pursuant to the provisions of the Acts relating to Government Life Insurance.*

Government Insurance Office,  
Wellington, 23rd May, 1895.

I HAVE the honour to submit herewith the accounts and tables of business of the department for the year 1894, and to report thereon in compliance with the law.

*New Business.*—During the year 4,440 proposals, for a total amount of £995,159, were received. Of the whole of the proposals submitted, 457 were deferred or declined. Of every 100 proposals received, 83 were accepted at ordinary rates of premium, 7 were loaded—*i.e.*, accepted with an extra premium—and 10 were deferred or declined. From these figures it will be manifest that due caution has as usual been exercised in the acceptance of lives. Of every 100 policies completed, 94 were at ordinary rates, and 6 with an extra premium, or the equivalent contingent debt. There were also granted 30 annuities, securing to their holders £1,165 per annum.

The following is a condensed summary of the new policies issued by the department during the year :—

	No.	Sum assured.	Annual Premium.
Whole-life and term assurances ... ..	1,397	£364,704	£9,149
Endowment-assurances ... ..	1,801	355,321	13,296
Children's endowments ... ..	30	3,588	149
Annuity-assurances ... ..	43	5,400*	286
...	3,271	£729,013	£22,880
...	30	£1,165 per annum	20†
Total policies ... ..	3,301	...	£22,900

In the General Section the policies issued were 2,699, assuring £603,978, and in the Temperance Section 602 policies, assuring £125,035.

The most noteworthy characteristic of the year's new business is the continued increase in the demand for endowment assurances. This increasing willingness on the part of the public to make a provision for old age cannot but be regarded as satisfactory, especially as the majority of these endowments mature at advanced ages. The following table will show how the 1,801 policies of this class issued during the year mature, and it will be seen that short-term endowments form a very small proportion of the whole :—

Maturing in	No. of Policies.
35 years and over ... ..	182
30-34 years ... ..	535
25-29 " ... ..	603
20-24 " ... ..	340
15-19 " ... ..	94
Under 15 " ... ..	47
Total ... ..	1,801

\* And deferred annuities securing £1,977 per annum.

† And single premiums amounting to £11,780.

The particulars of the new and discontinued business of the year, and the progress of the department from its inception, are given in great detail in the annexed statement of progress of business.

*Civil Service Insurance Scheme.*—Regulations were framed for the proper administration of "The Civil Service Insurance Act, 1893," and during the year the scheme was started, and is now working smoothly. At the end of the year 43 annuity assurances had been issued, assuring £5,400 at death, and entitling the survivors at age 60 to annuities amounting to £1,976 16s. 11d. per annum. One of these assured Civil Servants died during the year, and the sum assured, with accrued bonus, was paid to his family. There were also issued in connection with this scheme 24 assurances for £6,068, and a deferred annuity for £6 os. 4d. per annum.

*Premiums received.*—The total new premiums received amounted to £23,117, being slightly in excess of the previous year. The renewal premiums received amounted to £219,307. The consideration for annuities granted during the year was £11,780.

*Interest.*—The interest earned during the year amounted to £115,270, being £7,172 in excess of the interest for the previous year.

*Total Revenue.*—The total revenue from all sources showed an increase of £7,794, and amounted to £369,478.

*Claims under Policies.*—Death claims arose under 278 policies through the deaths of 254 policyholders, representing (after deduction of contingent debts) a total sum assured, including bonus additions, of £88,683. Matured endowment assurances and children's endowments amounted to £25,285. Since its foundation the department has paid in claims considerably over a million sterling.

*Expenses of Management.*—The expenses of management (including commission £14,626, and land- and income-tax £5,917) amounted to £55,722. This amount was considerably increased by the inclusion of the necessary expenses in connection with the periodical bonus investigation, an item which will not recur this year.

*Accumulated Funds.*—The funds have increased by £135,649, and at the end of the year amounted to £2,264,239.

*General Remarks.*—It is an appropriate time to draw attention to the fact that, the department having been founded early in 1870, the end of last year saw the completion of the first quarter of a century of its existence. The following table contains a Consolidated Revenue Account of the department from March, 1870, to 31st December, 1894:—

CONSOLIDATED REVENUE ACCOUNT for the Period between March, 1870, and 31st December, 1894.

Premiums .. .. .	£ 3,467,421	Claims by death .. .. .	£ 990,540
Consideration for annuities .. .. .	113,203	Claims by maturity .. .. .	140,429
Interest .. .. .	1,081,558	Surrenders .. .. .	328,840
Fees, &c. .. .. .	613	Surrender of bonus .. .. .	92,486
		Annuities .. .. .	71,436
		Commission .. .. .	184,804
		Expenses of management .. .. .	492,679
		Taxes .. .. .	52,631
		Losses on properties foreclosed .. .. .	1,711
		Investment reserves .. .. .	43,000
		Amount of funds .. .. .	2,264,239
	<u>£4,662,795</u>		<u>£4,662,795</u>

From this consolidated account can be seen at a glance the various items of income and outgo for the twenty-five years, and the table cannot fail to be of interest.

The Government Insurance Amendment Act, passed in the last session of Parliament, extending the department's powers of investment in mortgages, is affording much assistance in the remunerative employment of the department's funds. Whilst from a variety of reasons the ruling rates of interest have latterly materially declined, the result of recent legislation appears to be manifesting itself chiefly in the equalisation of rates for large and small investments, and in present circumstances the department is experiencing little difficulty in obtaining eligible securities on terms which must be regarded as satisfactory, especially bearing in mind the statutory requirements as respects security, and the scrupulous regard with which they are observed.

The commercial depression of last year pressed severely upon the life insurance institutions of Australasia, but the department has been fortunate in escaping any appreciable arrestment of its advancement. The new business has almost reached the high figures of 1893, whilst the progress of the business generally has not been exceeded by that of any other colonial life office. Any unfavourable features of the year's experience, such as a heavy lapse-rate, will be found to have been more than shared by all the other offices. In the face of great difficulties, every effort has been made by the officers of the department to make the year a success, and a careful study of the accounts and statements will probably lead to the conclusion that the department was never in a sounder or more prosperous condition than at the present time.

JOSEPHUS H. RICHARDSON,  
Commissioner.

REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended  
31st December, 1894.

	£	s.	d.		£	s.	d.
Amount of Funds at 31st December, 1893	2,128,589	18	0	Death claims under policies, Assurance, including bonus additions .. ..	88,682	17	0
Renewal premiums—Assurance, Annuity, and Endowment .. ..	219,307	0	5	Endowment Assurances matured, including bonus additions .. ..	24,117	9	0
New premiums (including instalments of first year's premiums falling due in the year) .. ..	20,675	9	10	Endowments matured .. ..	1,168	0	10
Single premiums—Assurance and Endowment .. ..	2,441	9	11	Premiums returned on endowments .. ..	65	7	2
Consideration for annuities .. ..	11,779	15	0	Bonuses surrendered for cash .. ..	17,008	7	5
Interest .. ..	115,270	7	10	Annuities .. ..	7,460	11	3
Fees .. ..	4	5	10	Surrenders .. ..	21,400	7	3
				Loans released by surrender .. ..	18,208	15	4
				Commission, new .. ..	£13,092	5	1
				"    renewal .. ..	1,533	17	5
					14,626	2	6
				Land- and income-tax .. ..	5,916	19	10
				Expenses of management—			
				Salaries—Head Office .. ..	£9,965	16	0
				"    Branch Offices and Agents .. ..	5,303	5	11
				Extra clerical assistance .. ..	1,507	14	7
				Medical fees and expenses .. ..	4,838	6	4
				Travelling-expenses .. ..	798	8	7
				Advertising .. ..	948	14	5
				Printing and stationery .. ..	1,511	6	5
				Rent .. ..	2,116	7	6
				Postage .. ..	1,813	8	7
				Telegrams .. ..	469	3	4
				Exchange .. ..	52	7	2
				Office furniture depreciation .. ..	456	8	11
				General expenses .. ..	2,720	8	3
				Triennial expenses .. ..	2,472	5	1
				Compensation for loss of office .. ..	205	3	3
					35,179	4	4
				Amount of funds at 31st December, 1894 .. ..	2,264,239	4	11
					£2,498,068	6	10

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT on 31st December, 1894.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account)	2,264,239	4	11	Loans on policies .. ..	405,166	15	11
Claims admitted, proofs not yet completed .. ..	15,985	16	4	Government securities—			
Annuities .. ..	3	10	10	Consolidated stock .. ..	£680,079	0	0
Commission .. ..	1,077	0	11	Treasury bills .. ..	140,000	0	0
Medical fees .. ..	578	11	0	Debentures issued under "The Government Loans to Local Bodies Act, 1886" .. ..	10,000	0	0
Premium and other deposits .. ..	4,034	1	1	Railway debentures (guaranteed by Government) .. ..	79,906	5	0
Fire-insurance moneys in suspense .. ..	50	0	0	Debentures issued under "The Native Land Purchases Act, 1892" .. ..	15,000	0	0
Tontine Savings Funds .. ..	6,002	8	8	Debentures issued under "The Immigration and Public Works Act, 1870" .. ..	1,938	3	4
Reserve for possible depreciation in freehold and mortgage securities .. ..	43,000	0	0		926,928	8	4
				Municipal Corporation debentures .. ..	105,244	3	0
				County securities .. ..	1,000	0	0
				Otago University debentures .. ..	15,000	0	0
				Harbour Board debentures .. ..	49,000	0	0
				River Board debentures .. ..	935	0	0
				Town Board debentures .. ..	500	0	0
				Landed and house property .. ..	127,611	14	7
				Office furniture (Head Office and Agencies) .. ..	3,993	5	2
				Mortgages on property .. ..	517,079	18	11
				Properties acquired by foreclosure .. ..	34,413	15	7
				Overdue premiums on policies in force .. ..	£5,756	9	6
				Outstanding premiums due in December, 1894 .. ..	30,260	19	0
					36,017	8	6
				Interest outstanding .. ..	2,840	5	7
				Interest accrued, but not due .. ..	27,081	11	0
					29,921	16	7
				Agents' balances .. ..	3,058	9	7
				Sundry accounts owing .. ..	1,417	13	6
				Cash on current account .. ..	77,687	4	1
					£2,334,970	13	9
					£2,334,970	13	9

Government Life Insurance Department, 8th March, 1895.

Audited and found correct.

JAMES C. GAVIN,

Assistant Controller and Auditor.

JOSEPHUS H. RICHARDSON, Commissioner.

W. B. HUDSON, Secretary.

# Statement of Business

YEAR 1894.	TOTAL.					ASSURANCES.					
	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premium.		Annuities.	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premium.	
				1. Ordinary.	2. Extra.					1. Ordinary.	2. Extra.

*Whole-life and Term Assurances.*

## POLICIES ISSUED AND DISCON-

	No.	£	£	£	s.	d.	£	s.	d.	£	£	£	s.	d.
Policies in force at 31st December, 1893	31,709	8,302,257	518,998	239,357	17	9	7,855	7	2	18,421	5,489,420	378,976	188,713	11 6
				4,646	15	4							3,805	12 8
Bonus allotted as at 31st December, 1893	..	..	277,268	..	..	..	..	..	..	..	192,132	..	..	..
New Business, 1894	..	3,301	729,013	48	22,732	19 11	3,142	2	6	1,397	364,704	48	9,035	5 4
					167	9 0							113	14 6
Total	..	35,010	9,031,270	796,314	262,090	17 8	10,997	9	8	19,818	5,854,124	571,156	147,748	16 10
					4,814	4 4							3,919	7 2
Policies discontinued during 1894	}	2,103	524,981	70,060	16,497	7 7	146	12	10	1,215	343,851	49,832	9,549	1 1
					327	8 9							265	15 10
Total Policies in force at 31st December, 1894	}	32,907	8,506,289	726,254	245,593	10 1	10,850	16	10	18,603	5,510,273	521,324	138,199	15 9
					4,486	15 7							3,653	11 4

## PARTICULARS OF POLICIES DISCON-

How Discontinued.	No.	£	£	£	s.	d.	£	s.	d.	£	£	£	s.	d.
By Death .. .. .	281	79,043	9,212	2,411	19	7	146	11	10	211	64,240	7,780	1,837	18 8
				57	18	10							52	2 4
Maturity .. .. .	102	21,643	3,553	1,154	8	1	..	..	..	..	..	..	..	..
				6	5	11							..	..
Surrender .. .. .	417	108,602	7,310	3,404	10	11	..	..	..	232	70,042	5,359	1,963	4 2
				69	14	10							55	2 10
Surrender Bonus .. .. .	..	..	36,000	..	..	..	..	..	..	..	..	26,887	..	..
Lapse .. .. .	1,303	315,693	13,985	8,654	14	4	..	..	..	772	209,569	9,806	4,955	18 3
				149	16	2							116	7 8
Expiry Policy .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Expiry Premium .. .. .	..	..	..	790	7	3	..	..	..	..	..	..	780	5 0
				12	11	0							12	11 0
Miscellaneous .. .. .	..	..	..	81	7	5	0	1	0	..	..	..	11	15 0
				31	2	0							29	12 0
	2,103	524,981	70,060	16,497	7	7	146	12	10	1,215	343,851	49,832	9,549	1 1
				327	8	9							265	15 10

## PROGRESS OF BUSINESS OF THE GOVERNMENT INSURANCE

Total issued .. .. .	62,225	16,356,847	1,117,670	489,622	16	10	13,950	2	0	35,197	10,583,690	804,767	278,804	7 10
				12,684	19	11							10,164	18 2
Total void .. .. .	29,318	7,850,558	391,416	244,029	6	9	3,099	5	2	16,594	5,073,417	283,443	140,604	12 1
				8,198	4	4							6,511	6 10
Total in force .. .. .	32,907	8,506,289	726,254	245,593	10	1	10,850	16	10	18,603	5,510,273	521,324	138,199	15 9
				4,486	15	7							3,653	11 4
Extra Premiums .. .. .	..	..	..	4,486	15	7	NOTE.—The Ordinary Premium is the premium charged							
Reduction of Premium by Bonus, &c. .. .. .	..	..	..	297	13	3								

£250,377 18 11

Wellington, 14th February, 1895.

## at end of Year 1894.

ASSURANCES.								ANNUITIES.			SIMPLE ENDOWMENTS, IN- VESTMENTS, &c.			
<i>Endowment Assurances.</i>				<i>Annuity Assurances.</i>										
No.	Sum Assured.	Rever- sionary Bonus.	Annual Premium.		No.	Sum Assured.	Annuities.	Annual Premium.	No.	Annual Premium.	Annuities.	No.	Sum Assured.	Annual Premium.
			1. <i>Ordinary.</i>	2. <i>Extra.</i>										

### TINUED DURING THE YEAR 1894.

12,723	£ 2,783,433	£ 140,022	{	99,432	10	6	841	2	8	..	..	..	..	154	23	12	2	7,855	7	2	411	£ 29,404	£ 1,188	3	7				
..	..	85,136	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..				
1,801	355,321	..	{	13,242	3	10	53	14	6	43	5,400	1,976	16	11	286	6	0	30	20	0	0	1,165	5	7	30	3,588	149	4	9
14,524	3,138,754	225,158	{	112,674	14	4	894	17	2	43	5,400	1,976	16	11	286	6	0	184	43	12	2	9,020	12	9	441	32,992	1,337	8	4
829	177,743	20,228	{	6,807	7	7	61	12	11	1	100	49	11	10	5	0	0	3	..	..	97	1	0	55	3,287	135	18	11	
13,695	2,961,011	204,930	{	105,867	6	9	833	4	3	42	5,300	1,927	5	1	281	6	0	181	43	12	2	8,923	11	9	386	29,705	1,201	9	5

### TINUED DURING THE YEAR 1894.

66	14,703	1,432	{	569	0	11	5	16	6	1	100	49	11	10	5	0	0	3	..	..	97	0	0	..	..	..		
78	20,475	3,553	{	1,099	19	10	6	5	11	..	..	..	..	..	..	..	..	..	..	..	..	..	24	1,168	54	8	3	
166	37,605	1,951	{	1,411	0	1	14	12	0	..	..	..	..	..	..	..	..	..	..	..	..	..	19	955	30	6	8	
..	..	9,113	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
519	104,960	4,179	{	3,658	6	1	33	8	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	12	1,164	40	10	0
..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	..	10	2	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	{	58	18	5	1	10	0	..	..	..	..	..	..	..	..	..	..	..	0	1	0	..	..	10	14	0
829	177,743	20,228	{	6,807	7	7	61	12	11	1	100	49	11	10	5	0	0	3	..	..	97	1	0	55	3,287	135	18	11

### DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1894.

24,897	5,671,729	312,903	{	205,763	10	7	2,520	1	9	43	5,400	1,976	16	11	286	6	0	247	157	7	5	11,973	5	11	1,841	96,028	4,611	5	0
11,202	2,710,718	107,973	{	99,896	3	10	1,686	17	6	1	100	49	11	10	5	0	0	66	113	15	3	3,049	13	4	1,455	66,323	3,409	15	7
13,695	2,961,011	204,930	{	105,867	6	9	833	4	3	42	5,300	1,927	5	1	281	6	0	181	43	12	2	8,923	11	9	386	29,705	1,201	9	5

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

**JOSEPHUS H. RICHARDSON, Commissioner.**  
**MORRIS FOX, Actuary.**

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