

1942.
NEW ZEALAND.

ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1941.

Presented to both Houses of the General Assembly pursuant to the Provisions of the Government Life Insurance Act, 1908.

Government Insurance Office, Wellington, 7th May, 1942.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended 31st December, 1941, and its position at that date. The Revenue Account, Balance-sheet, and Statement of Business are appended.

New Business and Amount of Business in Force.—New business for the year amounted to 6,858 policies, assuring the sum of £2,800,408, the premiums thereon being £54,528 per annum. Thirty-nine annuities were also granted, the purchase-money being £26,370. The total business in force at the end of the year (including immediate, deferred, and contingent annuities for £95,632 per annum) comprises 95,581 policies, bearing an annual premium income of £799,903. The total sum assured is £32,445,977, to which reversionary bonuses amounting to £3,814,177 have been added.

Income.—The total income amounted to £1,360,056, made up as follows: Premium income, £823,048; interest income (net), £510,638; annuity-purchase money, £26,370. The total for the year exceeded that for the previous year by £33,952.

Outgoings.—During the year 1,802 policies became claims by the death of the policyholders and by maturity, the payment involved being £621,968. The total amount paid in claims since the inception of the Department amounts to £18,419,002.

Accumulated Funds.—Assurance, Annuity, and Endowment Funds, apart from special reserves of £382,154, now stand at £11,854,254, an increase of £436,732 over the previous year.

Annual Bonus.—The usual bonus investigation was carried out by the Actuary, and his report, which is appended hereto, discloses a net surplus of £198,650, excluding interim bonuses paid during the year. The surplus is amply sufficient to enable bonuses to be declared at the same rates as for 1940, but, in view of the conditions arising out of the war, it has been decided to postpone the allotment of the surplus. Interim bonuses, however, will be granted at the present rates on all policies becoming claims during the year.

Expense Ratios.—The ratio of expenses to (a) total income and (b) premium income for 1939, 1940, and 1941 is as follows:—

Ratio of Expenses to	1939.	1940.	1941.
(a) Total income	8·55	7·97	8·62
(b) Premium income	13·31	12·75	13·81

The increase in the expense ratios is accounted for by the expenditure relating to new commission, land and income tax, and war-damage insurance.

A large number of the Department's officers are engaged on active service.

In conclusion, I should like to pay a tribute to the good work done by members of the depleted staff who have cheerfully undertaken the extra duties occasioned by the war. It is due to their efficiency, zeal, and loyalty that the Department holds such a high position in the keenly competitive field of life insurance.

W. E. ARNOLD, Commissioner.