

# ACTUARY'S REPORT

ON THE VALUATION OF THE

## GOVERNMENT LIFE INSURANCE DEPARTMENT

AS AT 31ST DECEMBER, 1947

*Presented to both Houses of the General Assembly pursuant to Section 40 of the Government Life Insurance Act, 1908*

Wellington, 10th May, 1948.

IN accordance with your instructions, a valuation of the Department's liabilities under its policies has been made as at 31st December, 1947, with the object of ascertaining the net surplus available for distribution amongst the policyholders, and in accordance with section 40 of the Government Life Insurance Act of 1908, and amendments, I have the honour to report as follows:—

The liabilities arise in respect of 121,737 policies assuring, inclusive of bonus additions, the sum of £55,382,358 and £232,764 immediate and deferred annuities per annum; the office premiums thereon amounting to £1,190,935 per annum.

The bases adopted for the valuation were as follows:—

- (a) Endowments:  $2\frac{1}{2}$  per cent. interest without mortality.
- (b) All other classes of assurance: The A 1924-29 ultimate table of mortality with  $2\frac{1}{2}$  per cent. interest.
- (c) Annuities: The *a (m)* and *a (f)* ultimate tables of mortality with 3 per cent. interest.

The net premium method of valuation was employed in respect of groups (a) and (b) above, and, in addition to the liability brought out on that basis, reserves were included for future bonuses, immediate payment of claims, and other contingencies.

The valuation disclosed a total surplus of £245,796 as follows:—

Total funds at 31st December, 1947 .. .. .	£	14,835,563
Less value of liabilities .. .. .		14,594,071
Net surplus .. .. .		241,492
Interim bonus paid during year .. .. .		4,304
		<u>£245,796</u>