

Life Insurance Law.—For Civil Service Senior. Time allowed: Three hours.

[N.B.—The regulations provide that the examination in this subject shall have special reference to New Zealand life and accident insurance law and to the Government Life Insurance Department.]

SECTION I.—LIFE.

1. Policy No. 7295, for £200, on the life of William Smith was assigned by him to his wife absolutely and for her sole and separate use. The wife, who died on 30th November, 1903, left two infant children, and had not disposed of the policy by will or otherwise. Whose property does the policy become?

2. In what securities may the funds of the Government Life Insurance Department be invested, and what proportions are prescribed?

3. A person insured for £1,000 dies leaving a will, which, after making provision for debts and bequeathing certain legacies, concludes with a residuary bequest in favour of the testator's widow. The will contains no reference of any kind to the life policy. Whose property does the policy-money become?

4. A policyholder notifies your company that he has lost his life policy, and desires a copy to be issued to take the place of the original. (a) What form of fraud has to be specially guarded against? (b) What precautions would you adopt before issuing the copy?

5. A life policy was mortgaged in June, 1885, to Samuel King. King died on 3rd September, 1885, and probate of his will was granted to his widow, Jane, on 19th September, 1885. Jane King died on 29th June, 1897, and probate of her will was granted on 22nd July, 1897, to her executors, Robert King and Andrew Bull. Robert King is dead, and a release of the mortgage is submitted for registration executed by Andrew Bull *solus*. Is the release by Bull effective, and would you be prepared to register the release of the mortgage?

SECTION II.—ACCIDENT.

6. Under the "accounts and audit" clauses of "The Government Accident Insurance Act, 1899," provision is made (a) for certain classes of payments to be made out of the "Government Accident Insurance Account" without further appropriation than the Act in question, and (b) for other payments to be made out of moneys from time to time appropriated from the account by Parliament. Mention what payments come under (a) and under (b) respectively.

7. Clause 5 of "The Employers' Liability Act Amendment Act, 1891," prescribes limitations to the compensation recoverable under the Act in respect of any one cause of action. What are these limitations?

8. In "The Workers' Compensation for Accidents Act, 1900," provision is made for any dispute arising under the Act being settled as an industrial dispute by the Arbitration Court constituted under the Industrial Arbitration Act. To what extent has this procedure been modified by "The Workers' Compensation for Accidents Act Amendment Act, 1903"?

9. What members of a worker's family are "dependants" within the meaning of "The Workers' Compensation for Accidents Act, 1900," and what additions are made by the Amendment Act of 1903?

Principles involved in Life Assurance: Life Assurance Book-keeping.—For Civil Service Senior. Time allowed: Three hours.

SECTIONS I. AND II.—PRINCIPLES INVOLVED IN LIFE ASSURANCE.

I.

1. Describe the usual form of a table of mortality, and say what are its uses.

2. What mortality tables are at present in use in the Government Insurance Department, and for what purposes?

3. Define (a) average duration of life and (b) mean age at death. Give the value of each in symbols.

4. What is the object of a valuation? Express in symbols, or describe verbally, the value of a policy when taken out, and its value after ten years' duration.

5. Explain briefly the "compound reversionary bonus" method of dividing surplus.

II.

6. What may be said for and against the automatic application of the surrender value to pay premiums?

7. What is a contingent debt? What form of contingent debt is offered by the Government Insurance Department to proponents for insurance who are not accepted as first-class lives? Describe any other variety with which you are acquainted.

8. How would you ascertain the average rate of interest earned by the funds of a life office during any year? What other method is there in use?

9. In what important respects do the policies issued by American companies differ from those generally adopted by Australasian companies?

10. A policyholder who was loaded up when accepted writes after a number of years asking for a remission of the extra premiums, giving as a reason that he has lived longer than was expected. Draft the letter which you think should be sent in reply.

III.—LIFE INSURANCE BOOK-KEEPING (with special reference to the Books of the Government Insurance Department).

11. Describe succinctly the functions of (a) the revenue account and (b) the balance-sheet.

[N.B.—Special importance is attached to the candidate's showing an intelligent grasp of the underlying principles of these two subdivisions of the annual accounts.]

12. Distinguish between the expressions "uncovered," "lapsed," and "expired."