

1905.
NEW ZEALAND.

ANNUAL REPORT
OF THE
GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1904.

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

Government Insurance Office,
Wellington, 31st May, 1905.

In compliance with statutory provisions, I have the honour to submit the following report concerning the transactions of the Department for the year ending 31st December, 1904, and its position at that date. The revenue account, balance-sheet, and statement of business are appended.

New Business and Net Increase.—The number of proposals received was 4,010, for the sum of £851,298, and the number of policies actually completed was 3,227, assuring £694,556, on which the new annual premiums amounted to £23,487, in addition to single premiums for £1,631. Twenty-three annuities were also granted during the year, the purchase-money for which amounted to £13,272. The result was a net increase for the year of 1,067 policies for £199,300, against £163,690 in 1903 and £154,470 in 1902, figures which indicate an increasing stability in the business obtained by the Department.

Total Business in Force.—The total amount of business now in force is 43,873 policies, assuring £10,259,562 (and £1,001,518 bonuses) at death or maturity, together with immediate and deferred annuities for £44,664; the whole bearing an annual premium income of £312,396.

In the Civil Service section, which is included in the foregoing total business, there are now 658 policies in force, assuring £96,469 (and £2,472 bonuses), and entitling the survivors, at age 60, to annuities amounting to £30,633. The premiums paid in this section are now £5,031 per annum.

Income and Outgo.—The income of the year was £480,716, derived from the following sources:—

New premiums (including single premiums)	...	...	...	£	22,550
Renewal premiums	...	...	...	...	286,689
Purchase-money for annuities	...	...	...	...	13,272
Interest	...	...	...	...	158,196
Fees	...	...	...	...	9
Total income for 1904	...	...	...	£	480,716

The purchase-money received as consideration for annuities, £13,272, shows a large increase on the previous year, when the amount was £8,658. The increase of £10,345 in the renewal premiums is very satisfactory, being greater than for many years past.

Claims by death amounted to £140,959, which, though representing a considerable increase on the previous year, is well within the amount provided for in the tables of mortality used by the Department. Claims by maturity amounted to £80,241. The total amount paid since 1870 in respect of death-claims and matured endowments has been £2,792,219.

Surrenders show a decided improvement, the outgo on that account having been only £29,237, as against £50,303 in 1903. The lapse experience has also been highly favourable.

A great saving has been effected in the expenses, the total expenditure, including taxes and commission, having amounted to £60,490, as against £64,723 in 1903; and the gratifying result being that the ratio of expenses to premium income has been brought down from 20·8 per cent. to 18·8 per cent., the lowest rate for the past twenty years.

The Balance-sheet.—The total assets of the Department amounted to £3,761,519 on the 31st December, 1904, and were invested as follows, the tables showing the figures of the previous year for comparison:—

At 31st December, 1903.		Class of Investment.	At 31st December, 1904.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£1,886,574	52·3 per cent.	Mortgages on freehold property ...	£1,966,913	52·3 per cent.
667,936	18·5 "	Government securities ...	667,950	17·8 "
618,190	17·1 "	Loans on policies ...	660,262	17·5 "
140,325	3·9 "	Local bodies' debentures ...	135,768	3·6 "
123,580	3·4 "	Landed and house property ...	123,580	3·3 "
99,172	2·8 "	Miscellaneous assets ...	102,383	2·7 "
73,489	2·0 "	Cash on current account ...	103,659	2·8 "
1,033	0·0 "	Properties acquired by foreclosure...	1,004	0·0 "
3,610,299	100·0 per cent.	Total ...	3,761,519	100·0 per cent.

The total assurance, annuity, and endowment funds now stand at £3,665,583, having increased during the year by £153,522.

The progress of the Department during the year, although not marked by any striking incidents, has been of a thoroughly satisfactory character. The chief points to be observed are a well-maintained new business, large increases in income and accumulated funds, a striking diminution in surrenders and lapses, and a marked decrease in the expenses of management.

In conclusion I may state that there are good reasons for thinking that the results of the forthcoming triennial investigation of the assets and liabilities, to be made at the end of the current year, will prove satisfactory to the policyholders and all concerned.

J. H. RICHARDSON,
Government Insurance Commissioner.

REVENUE ACCOUNT of the GOVERNMENT LIFE INSURANCE DEPARTMENT for the Year ended 31st December, 1904.

	£	s.	d.		£	s.	d.
Amount of Funds at 1st January, 1904	3,512,061	2	2	Death-claims under policies, Assurance, including bonus additions	140,958	18	9
Renewal premiums—Assurance, Annuity, and Endowment	286,689	2	6	Endowment Assurances matured, including bonus additions	78,068	8	1
New premiums (including instalments of first year's premiums falling due in the year)	20,918	9	8	Endowments matured	2,172	14	6
Single premiums—Assurance and Endowment	1,631	9	2	Bonuses surrendered for cash	3,524	0	1
Consideration for Annuities	13,271	19	0	Annuities	12,742	0	4
Interest	158,195	18	4	Surrenders	24,646	4	5
Fees	8	15	5	Loans released by surrender	4,591	8	8
				Commission, new	£13,709	17	9
				" renewal	2,238	15	7
					15,948	13	4
				Land and Income tax	9,755	5	7
				Expenses of management—			
				Salaries—			
				Head Office	£11,908	13	10
				Branch offices and agents	6,976	11	6
				Extra clerical assistance	1,512	0	0
				Medical fees and expenses	4,510	4	1
				Travelling-expenses	630	13	6
				Advertising	926	10	11
				Printing and stationery	1,126	6	5
				Rent	2,245	16	8
				Postage	1,240	4	1
				Telegrams	371	10	8
				Exchange	113	0	0
				Office-furniture depreciation	320	11	1
				General expenses	2,896	14	2
				Triennial expenses	525	16	0
				Compensation for loss of office	81	12	8
					34,786	5	7
				Amount of Funds, 31st December, 1904	3,665,582	16	11
					£3,992,776	16	3

BALANCE-SHEET of the GOVERNMENT LIFE INSURANCE DEPARTMENT on 31st December, 1904.

LIABILITIES.			ASSETS.				
	£	s.	d.	£	s.	d.	
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account)	3,665,582	16	11	Loans on policies	660,262	0	0
Claims admitted, proofs not yet completed	22,114	0	5	Government securities—			
Annuities	19	5	3	Consolidated stock	625,900	0	0
Commission	397	10	8	Railway debentures (guaranteed by Government)	40,000	0	0
Medical fees	486	3	0	Debentures issued under "The Immigration and Public Works Act, 1870"	2,050	3	6
Premium and other deposits	6,963	18	2		667,950	3	6
Fire insurance moneys in suspense	350	0	0	Municipal Corporation debentures	95,611	6	4
Tontine Savings Fund No. 2	8,749	7	2	County securities	656	18	3
Investment Fluctuation Reserve	56,855	16	5	Harbour Board debentures	39,000	0	0
				Town Board debentures	500	0	0
				Landed and house property	123,579	17	8
				Office furniture (Head Office and agencies)	2,582	16	3
				Mortgages on property	1,966,912	19	2
				Properties acquired by foreclosure	1,003	14	11
				Overdue premiums on policies in force	5,543	8	1
				Outstanding premiums due but not overdue	37,085	14	11
					42,629	3	0
				Overdue interest	504	4	4
				Outstanding interest due but not overdue	5,923	11	9
				Interest accrued but not due	44,467	17	8
					50,895	13	9
				Agents' balances	2,959	9	4
				Sundry accounts owing	3,315	17	9
				Cash in hand and on current account	103,658	18	1
					£3,761,518	18	0

Government Life Insurance Department, 24th March, 1905.

Audited and found correct.

J. K. WARBURTON,
Controller and Auditor-General.

J. H. RICHARDSON,
Commissioner.

W. B. HUDSON,
Secretary.

Statement of Business

YEAR 1904.	TOTAL.					ASSURANCES.				
						<i>Whole-life and Term Assurances.</i>				
	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premiums.	Annuities.	No.	Sum Assured.	Rever- sionary Bonus.	Annual Premiums.	
			<i>1. Ordinary.</i>	<i>2. Extra.</i>			<i>1. Immediate.</i>	<i>2. Deferred.</i>	<i>1. Ordinary.</i>	<i>2. Extra.</i>
Policies in force at 31st December, 1903	43,116	£ 10,060,262	£ 1,051,545	£ 302,362	s. 8 d. 4	12,462	£ 4,404,010	700,945	£ 107,249	s. 8 d. 4
New business, 1904	3,250	694,556	..	3,192	3 2	27,719	1,516	..	2,354	1 6
Total	46,366	10,754,818	1,051,545	325,747	13 1	13,624	4,405,526	700,945	107,348	1 4
Policies discontinued during 1904	2,172	495,256	50,027	3,294	2 3	32,879	150,952	29,989	2,357	6 2
Total Policies in force at 31st December, 1904	44,194	10,259,562	1,001,518	16,629	6 7	484	4,254,574	670,956	4,588	16 7
				247	17 1	1,355			167	11 5
				309,118	6 6	13,140			102,759	4 9
				3,046	5 2	31,524			2,189	14 9

POLICIES ISSUED AND DISCON-

	No.	£	£	£ s. d.		£ s. d.		No.	£	£	£ s. d.	
				1.	2.	1.	2.				1.	2.
Policies in force at 31st December, 1903	43,116	10,060,262	1,051,545	302,362	8 4	12,462	8 4	15,125	4,404,010	700,945	107,249	8 4
New business, 1904	3,250	694,556	..	23,385	4 9	1,162	11 6	3	1,516	..	98	13 0
Total	46,366	10,754,818	1,051,545	325,747	13 1	13,624	19 10	15,128	4,405,526	700,945	107,348	1 4
Policies discontinued during 1904	2,172	495,256	50,027	3,294	2 3	32,879	3 0	497	150,952	29,989	2,357	6 2
Total Policies in force at 31st December, 1904	44,194	10,259,562	1,001,518	16,629	6 7	484	17 1	14,631	4,254,574	670,956	4,588	16 7
				247	17 1	1,355	2 0				167	11 5
				309,118	6 6	13,140	2 9				102,759	4 9
				3,046	5 2	31,524	1 0				2,189	14 9

PARTICULARS OF POLICIES DISCON-

How Discontinued.		No.	£	£	£ s. d.		£ s. d.		No.	£	£	£ s. d.	
1.	2.				1.	2.	1.	2.				1.	2.
By Death	414	118,996	20,408	3,755	17 10	484	17 1	281	95,346	18,637	2,860	3 6	
Maturity	308	65,979	13,362	98	2 5	..	..	..	..	..	92	10 1
Surrender	499	107,218	6,732	2,872	1 0	..	..	..	..	..	954	2 10
Surrender of Bonus	..	..	6,213	23	8 1	..	..	150	37,056	4,159	13	8 8
Lapse	948	202,063	3,312	3,391	12 4	1,272	1 5	63	17,550	2,149	359	9 8	
Expiry of Policy	3	1,000	..	28	14 4	..	..	3	1,000	..	43	5 8
Expiry of Premium	..	..	..	6,132	2 3	..	..	..	..	..	390	16 0
Miscellaneous	..	..	..	63	11 7	83	0 7	..	..	..	3	10 5
Total	2,172	495,256	50,027	53	4 10	..	..	497	150,952	29,989	8	12 1
				30	10 3	..	..				14	16 7
				16,629	6 7	484	17 1				4,588	16 7	
				247	17 1	1,355	2 0				167	11 5	

PROGRESS OF BUSINESS OF GOVERNMENT LIFE INSURANCE

Total issued	94,488	23,069,180	1,919,819	710,605	17 10	58,466	10 4	39,596	11,695,631	1,294,745	308,411	18 6
Total void	50,294	12,809,618	918,301	14,061	14 4	13,802	6 7	24,965	7,441,057	623,789	10,788	2 11
Total in force	44,194	10,259,562	1,001,518	401,487	11 4	44,664	3 9	14,631	4,254,574	670,956	205,652	13 9
				11,015	9 2						8,598	8 2
Extra Premiums	..	..	..	309,118	6 6	..	..	..	..	..	102,759	4 9
Reduction of Premium by Bonus, &c.	..	..	..	3,046	5 2	..	..	..	..	..	2,189	14 9
				231	9 8							
				£312,396 1 4								

NOTE.—The Ordinary Premium is the premium charged

Wellington, 28th February, 1905.

at end of Year 1904.

ASSURANCES.							ANNUITIES.			SIMPLE ENDOWMENTS, INVESTMENTS, &c.			
Endowment Assurances.				Annuity Assurances.			No.	Annual Premium.	Annuities.		No.	Sum Assured.	Annual Premium.
No.	Sum Assured.	Reversionary Bonus.	Annual Premiums. 1. Ordinary. 2. Extra.	No.	1. Sum Assured. 2. Reversionary Bonus.	Deferred Annuities.			Annual Premium.	1. Immediate.				2. Deferred.
TINUED DURING THE YEAR 1904.													
26,510	5,508,093	348,505	{ 188,457 5 9 838 1 8 21,864 5 1 98 14 5 }	541	{ 72,450 2,095 14,600 .. }	27,513 13 4	3,820 10 0	{ 302 8 24 -1 }	.. 75 15 1	{ 12,462 8 4 205 9 8 1,162 11 6 -17 8 0 }	630	75,709	2,759 9 2
2,995	661,190	..	..	99	..	5,177 8 0	775 18 0	..	..	..	130	17,250	646 8 8
29,505	6,169,283	348,505	{ 210,321 10 10 936 16 1 11,558 13 0 80 5 8 }	640	{ 87,050 2,095 3,350 109 }	32,691 1 4	4,596 8 0	{ 326 7 12 .. }	.. 75 15 1 .. 15 0 0	{ 13,624 19 10 188 1 8 484 17 1 .. }	760	92,959	3,405 17 10
1,553	333,111	19,929	..	27	..	1,355 2 0	178 17 4	..	..	..	83	7,843	287 19 8
27,952	5,836,172	328,576	{ 198,762 17 10 856 10 5 }	613	{ 83,700 1,986 }	31,335 19 4	4,417 10 8	{ 314 7 }	.. 60 15 1	{ 13,140 2 9 188 1 8 }	677	85,116	3,117 18 2

TINUED DURING THE YEAR 1904.

121	23,650	1,771	{ 895 14 4 5 12 4 2,795 19 0 23 8 1 2,122 1 4 15 5 8 }	..	..	..	..	{ 12 .. .. .. .. .. }	.. .. .. .. .. ..	{ 484 17 1 .. .. .. .. .. }	..	..	..
266	63,806	13,362	..	..	..	..	..	..	..	..	42	2,173	76 2 0
295	62,942	2,465	..	25	{ 3,150 108 }	1,272 1 5	167 11 10	..	..	..	29	4,070	147 16 4
..	..	1,169	..	..	..	..	..	..	..	..	..	..	..
871	182,713	1,162	{ 5,710 4 5 20 5 11 }	2	{ 200 1 }	83 0 7	10 8 0	..	..	..	12	1,600	52 0 2
..
..	..	..	..	..	..	..	..	{ .. .. .. .. }	15 0 0	..	..	..	2 19 10
..	..	..	{ 34 13 11 15 13 8 }	..	..	..	0 17 6	..	..	..	..	..	9 1 4
1,553	333,111	19,929	{ 11,558 13 0 80 5 8 }	27	{ 3,350 109 }	1,355 2 0	178 17 4	{ 12 .. }	.. 15 0 0	{ 484 17 1 .. }	83	7,843	287 19 8

DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1904.

51,096	11,087,610	622,793	{ 388,756 19 3 3,273 11 5 189,994 1 5 2,417 1 0 }	705	{ 96,550 2,281 12,850 295 }	36,025 19 6	5,097 1 2	511	218 2 6	22,440 10 10	2,580	189,389	3,121 16 5
23,144	5,251,438	294,217	..	92	..	4,690 0 2	679 10 6	190	157 7 5	9,112 6 5	1,903	104,273	5,003 18 3
27,952	5,836,172	328,576	{ 198,762 17 10 856 10 5 }	613	{ 83,700 1,986 }	31,335 19 4	4,417 10 8	321	60 15 1	13,328 4 5	677	85,116	3,117 18 2

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

J. H. RICHARDSON, Commissioner.
MORRIS FOX, Actuary.

Approximate Cost of Paper.—Preparation, not given; (printing 6,425 copies), £11 12s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1905.

Price 6d.]

