

1928.  
NEW ZEALAND.

ANNUAL REPORT  
OF THE  
GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1927.

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

Government Insurance Office, Wellington, 6th June, 1928.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended 31st December, 1927, 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.*—The amount of new business has been satisfactory, 5,555 policies having been issued for assurances, totalling £1,791,845, with annual premiums amounting to £58,006. Twenty-three annuities were granted, the purchase-money being £14,329.

The total business now in force (including immediate and deferred annuities for £24,914 per annum) comprises 66,856 policies, bearing an annual premium income of £595,780. The total sum assured is £19,303,916, to which reversionary bonuses amounting to £1,973,434 have been added.

*Income.*—The total income of the Department for the year was £987,326—viz., premium income £586,535, interest and rents (after payment of land and income tax £15,235) £386,462, and annuity purchase-money £14,329.

*Outgo for Claims.*—During the year 1,046 policies matured for £275,069, and 495 policies became claims by the death of the assured, the amount payable being £198,130. These figures bring the amount paid in claims since the inception of the Office up to the large total of £10,732,053.

*Accumulated Funds.*—The total Assurance Fund now amounts to £7,303,925, being an increase for the year of £274,341. The Department also has an Investment Fluctuation Reserve Fund amounting to £209,707.

*The Balance-sheet.*—On the 31st December, 1927, the total assets of the Department amounted to £7,584,401. The total investments increased by over £300,000, practically all of which has been advanced on mortgages of freehold securities. Cash in hand and on current account stands at the low figure of £10,161 5s. 2d. Adequate provision has been made in respect of the item “£19,331 7s. 10d., properties acquired by foreclosure.” Further, this amount has been reduced to £10,226 by sales since the accounts were made up.

*Rate of Interest.*—The effective net rate of interest earned was £5 10s. 10d. per cent., as compared with £5 11s. 1d. per cent. earned during the previous year. The slight decrease has been caused by heavier income-tax, but it is satisfactory to note that the rate is still considerably greater than the rates earned in previous years.

*Expense Ratios.*—The expense ratios show satisfactory reductions, as will be seen by the following figures for the past four years :—

	1924.	1925.	1926.	1927.
(a) Total expenses to total income . . . . .	11·29	11·08	10·53	9·84
(b) Total expenses to total premium income . . . . .	18·46	17·99	17·28	16·17

*Annual Bonus Distribution.*—In accordance with statutory authority the Department is now for the first time in its history distributing its profits annually. The attached Report of the Actuary, pursuant to section 40 of the Government Life Insurance Act, 1908, discloses a net surplus of £207,351 (excluding interim bonuses paid during the year), and of this sum £190,500 has been allotted in the form of compound reversionary bonuses upon the sum assured and existing bonuses. The total reversionary bonuses thus allotted amount to £305,484.