

ACTUARY'S REPORT

ON THE VALUATION OF THE

GOVERNMENT INSURANCE DEPARTMENT

AS AT 31ST DECEMBER, 1934.

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

IN accordance with your instructions, a valuation of the Department's liabilities under its policies has been made for the year ending 31st December, 1934, 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 68,094 policies assuring, inclusive of bonus additions, the sum of £24,084,621, and £59,685 immediate and deferred annuities per annum; the Office premiums thereon amounting to £625,085 per annum.

The bases adopted for the valuations were as follow:—

- (a) The British Offices OM Table 1893, and the British Offices Annuity Tables 1920, were employed in the case of assurances and annuities respectively, with 3 per cent. interest; and
- (b) The net premium method of valuation was employed, thus reserving the whole of the future loading; in addition, adequate reserves were included for future bonuses, immediate payment of claims, and other contingencies.

The valuation has disclosed a total surplus of £224,136, as follows:—

	£
Total funds at 31st December, 1934	9,241,764
Less value of liabilities	9,020,978
Net surplus	220,786
Interim bonus paid during year	3,350
	£224,136

As required by the Act, surplus arising from favourable mortality has been investigated separately for the General and Temperance Sections, the result indicating that the same rates of bonus should be allotted to policies of the same class in both sections.

I accordingly recommend that the following rates of compound reversionary bonus be declared on the sum assured and existing bonuses in respect of each full year's premium paid during the year:—

Policies issued under Present Premium Tables.

	Per Cent. £ s. d.
Whole-life assurances, and long-term endowment assurances maturing at ages 80 and over	1 17 0
Other endowment assurances	1 13 0
Double endowment assurances and pure endowments	1 4 0

Policies issued under Premium Tables which have been closed.

	Per Cent. £ s. d.
Whole-life and endowment assurances	1 11 0
Double endowments	1 7 0

The above bonuses will absorb the sum of £198,349, and I recommend that the balance of the net surplus—£22,437—be carried forward.

S. BECKINGSALE, F.I.A., Actuary.

The Government Insurance Commissioner, Wellington.

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