1886.
NEW ZEALAND.

NEW ZEALAND GOVERNMENT LIFE INSURANCE ASSOCIATION

(ANNUAL REPORT OF THE), FOR THE YEAR ENDED 31ST DECEMBER, 1885.

Presented to both Houses of the General Assembly pursuant to Section 66 of "The New Zealand Government Insurance Association Act, 1884."

Head Office, Wellington, 28th April, 1886.

THE Central Board of the New Zealand Government Life Insurance Association have the honour to report as follows:—

The revenue accounts and balance-sheet for the year, certified by the Controller and Auditor-General, are appended to this Report. The particulars of the business during the period are narrated below.

ORDINARY BRANCH.—NEW BUSINESS.

The new proposals received during the year numbered 6,423, for a total sum of £1,393,249 18s., as against 4,520 proposals presented the previous year for £1,137,217 4s. 7d. Of the proposals received 4,379 became policies assuring £859,769 16s., and annuities for £569 13s. 8d. per annum as against 3,309 policies issued in 1884 insuring £800,016 1s. 9d., and annuities for £310 1s. 2d. per annum. The number of proposals declined was 487, and in the remainder of the cases the proposers failed to complete.

INDUSTRIAL BRANCH.

This branch is being rapidly wound up. The policies in force at the end of the year numbered 4,193, assuring a fixed sum on adult lives and a varying sum on those of the children, amounting in all to a total of £59,514 13s. The weekly premiums on the policies in force in this branch amounted to £52 12s. The sum paid for death claims during the year was £575 5s.

ACCUMULATED FUNDS.

At the end of 1885 the Accumulated Fund amounted to £1,102,034 11s. 11d., showing an increase of £129,258 17s. 3d.

GENERAL REMARKS.

The amount of new business during 1885 is in excess of that of the previous year, and above the average of the last five years. The quinquennial period ended with the close of the year 1885. The particulars have been sent Home for the English Actuaries to work out the results. A large portion of the increased expenditure is due to the three causes of the transfer of the business from the Government Department to the Incorporated Association, and the additional expenses entailed by the new organization and by the quinquennial investigation. The alphabetical list of electors, the expenses in connection with voting and with the elections, the larger advertising required, the reprinting of policies, forms, and prospectuses, the Directors' fees, the travelling expenses, postages, and telegrams, all incidental to the causes referred to, are estimated to have absorbed three thousand four hundred pounds of the additional expenditure; the balance may be set down to the expansion of the business.

The Board has lent, and is continuing to lend, considerable sums on mortgage of freehold property. Very great care is exercised in every case to ascertain that the security is a desirable one. The Board is also taking up the debentures of municipal bodies authorized by Parliament. The Board, at the wish of the Government, has agreed that not less than two-fifths of the assets for the time being shall be invested in Government securities; any investment beyond that amount in these securities to be optional with the Board.

Under the provisions of the Act incorporating the Association, one Director (Mr. Graham) retires this year, and the policyholders are called on to fill the vacancy. Mr. Graham offers himself for re-election, and is eligible.

The annual general meeting is appointed to take place at the Athenæum Hall, Lambton Quay, Wellington, on the fourteenth day of June.

Special General Meeting.

A special general meeting is appointed to take place immediately after the annual meeting to consider the question of altering the constitution of the Association. The Board has given a great deal of attention to the subject. A Special Committee was appointed to draw up the heads of a new constitution. The Colonial Treasurer signified his desire to retire from the Board. The Committee submitted resolutions to the Board, which, after careful consideration, were somewhat amended. The majority of the Board, however, were in favour of the Government resuming the charge of the Association. A resolution to that effect will be moved by Mr. Bell, as also one embodying the alternative plan of reconstruction which the Board approve, if the business is not to be returned to the charge of the Government. Mr. Fisher also gives notice of resolutions as an amendment to those already referred to. A copy of the various resolutions to be proposed will be found below:—

I. Mr. H. D. Bell will move the following resolution:—

"That it is desirable the business of the Government Life Insurance Association should be returned to the charge of the Government."

Failing this resolution being approved, Mr. Bell will move the following resolutions, approved by the Board as an alternative:—

II. "1. That the Board should be reduced to six members, of whom three should be elected, and the other three should be the Solicitor-General, the Secretary to the Treasury, and either the Public Trustee or the Commissioner of Property-Tax. Three to be a quorum if the Chairman be present, or four if the Chairman be not present.

"2. That the Government appoint one of the members of the Board to be Chairman.

"3. That each official member of the Board should receive an honorarium of fifty guineas, and each elected member should receive one hundred guineas per annum, and the Chairman such sum in addition as the Board may fix, not exceeding £200.

"4. That the nominated members shall cease to be members of the Board on the day the Act comes into operation, and shall not be reappointed.

"5. That power should be given to the Board, at its option, to grant compensation to officers on retirement, and to make compassionate allowances to the widows and young children of officers who die whilst in the service.

"6. That in case of any fresh appointments of the General Manager and the Actuary, the Board's power shall be exercised, subject to the approval of the Governor."

III. Mr. Fisher will move the following resolutions, as an amendment to both the above:—

"1. That the Central Board be reconstituted, and that it consist of seven members, four to be elected by the policyholders, and three to be nominated by the Government—the three nominated members not to be officers of the Government.

"2. That the Board so reconstituted shall elect its own Chairman.

"3. That the honoraria be fixed at £100 for each member of the Board, except the Chairman of Directors, who shall receive £300 per annum."

Julius Vogel,
Chairman.

N. Reid,
H. D. Bell, Directors.

D. M. Luckie,
General Manager.

FIRST SCHEDULE.

Revenue Account of the New Zealand Government Insurance Association (Ordinary Branch) for the Year ended 31st December, 1885.

	£ s. d.			£ s. d.
Amount of funds at beginning of year ..	972,775 14 8	Claims under policies		53,700 8 0
Renewal premiums	171,982 12 9	Endowments matured		600 0 0
New premiums on 4,367 policies, assuring £859,769 16s. 0d., and yielding an annual revenue of £26,008 15s. 11d. ..	10,974 17 3	Surrenders		14,820 3 8
		Bonuses paid in cash		460 19 4
		Annuities		3,044 16 2
Single premiums	1,226 12 8	Property-tax		1,846 0 2
Consideration received for 12 annuities granted, amounting to £569 13s. 8d. per annum	4,402 5 6	Commission, new		7,716 2 3
		Commission, renewal		1,124 5 7
Interest	52,149 12 6	Expenses of Management,—		
Fees	40 11 11	Salaries	£11,463 13 4	
		Directors' fees ..	600 0 0	
		Quinquennial expenses	900 0 0	
		Medical fees ..	4,812 16 11	
		Travelling expenses ..	2,055 12 3	
		Advertising ..	730 18 4	
		Printing and stationery	2,350 3 0	
		Rent	991 8 2	
		Postage	1,000 0 0	
		Telegrams	718 18 8	
		Exchange	158 6 1	
		Office furniture depreciation	252 4 8	
		General expenses ..	2,170 18 9	
				28,205 0 2
		Amount of funds at end of the year ..		1,102,034 11 11
	£1,213,552 7 3			£1,213,552 7 3

FIRST SCHEDULE—*continued*.

REVENUE ACCOUNT of the NEW ZEALAND GOVERNMENT INSURANCE ASSOCIATION (Industrial Branch) for the Year ended 31st December, 1885.

	£ s. d.			£ s. d.
Amount of funds at beginning of year	2,057 18 3	Claims under policies		575 5
Premiums	4,697 19 4	Surrenders		2,747 12 0
Interest, &c.	230 11 7	Commission, new		26 12 5
Fees	0 18 6	Commission, renewal		762 14 3
		Expenses of Management—		
		Salaries	£515 19 10	
		Travelling expenses	14 8 9	
		Advertising	16 12 0	
		Printing and stationery	58 19 0	
		Telegrams	5 11 8	
		General expenses	198 1 3	
		Office furniture depreciation	7 15 8	
				817 8 2
		Amount of funds at end of year		2,057 15 10
	£6,987 7 8			£6,987 7 8

D. M. LUCKIE,
General Manager.

New Zealand Government Life Insurance Association Office,
Wellington, 31st March, 1886.

SECOND SCHEDULE.

BALANCE-SHEET of the NEW ZEALAND GOVERNMENT INSURANCE ASSOCIATION (Ordinary Branch) on the 31st December, 1885.

LIABILITIES.	£ s. d.	ASSETS.	£ s. d.
Assurance, Annuity and Endowment Fund	1,102,034 11 11	Loans upon policies within their surrender value	118,265 18 7
Claims announced but not paid	10,100 13 0	Investments,—	
Surrenders	9 4 10	Mortgages upon property	[a] 25,350 0 0
Annuities due but unpaid	140 11 4	New Zealand Government securities	659,100 0 0
Commission, new	488 14 8	County securities	1,000 0 0
Medical fees	552 16 6	Borough securities	[b] 66,572 0 0
Premium deposits	1,473 10 3	Landed and house property	[c] 86,057 15 3
Mortgages on properties taken over by Association not yet matured	15,000 0 0	Harbour Board debentures	[d] 10,000 0 0
Industrial Branch deposit	1,713 7 9	Railway debentures	75,000 0 0
Postage	250 0 0	Otago University debentures	15,000 0 0
Valuation fee deposits	79 16 0	Outstanding premiums	23,941 0 3
		Outstanding interest	7,425 14 8
		Accrued interest	7,921 6 0
		Office furniture	2,150 0 0
		Agents' balances	806 9 7
		Cash on deposit	25,000 0 0
		Cash on current account	6,923 14 9
		Rent outstanding	1,329 7 2
	£1,131,843 6 3		£1,131,843 6 3

BALANCE-SHEET of the NEW ZEALAND GOVERNMENT INSURANCE ASSOCIATION (Industrial Branch), on the 31st December, 1885.

LIABILITIES.	£ s. d.	ASSETS.	£ s. d.
Assurance Fund	2,057 15 10	Deposit with Ordinary Branch	1,713 7 9
		Office furniture	69 0 0
		Agents' balances	119 6 3
		Interest outstanding	1 10 0
		Cash on hand and Current Account	154 11 10
	£2,057 15 10		£2,057 15 10

[a] Deeds in Audit safe, 31st December, £13,800; lodged since, £11,550.
[b] Nominal value of bonds in safe, £67,150.
[c] Subject to mortgages, £15,000. Deeds in safe, except for Wellington property lodged since.
[d] Bonds for £40,000 in safe as security for advance for £10,000.

D. M. LUCKIE,
General Manager.

New Zealand Government Life Insurance Association Office,
Wellington, 31st March, 1886.

In accordance with the sixty-third section of "The New Zealand Government Insurance Association Act, 1884," I hereby certify that the books, vouchers, and accounts of the Board have been examined, and that the deeds and securities have been compared with the said accounts and annual balance-sheet and have been found correct.

The amounts stated as investments are those at which the several securities have been purchased.

JAMES EDWARD FITZGERALD,
Controller and Auditor-General.

Audit Office, Wellington, 20th April, 1886.

THIRD SCHEDULE.

Part I.—Statement of Policies issued and discontinued during the Year ended 31st December, 1885.

—	Assurance. Ordinary. No.	Assurance. Ordinary. Sum Assured.	Assurance. Ordinary. Annual Premium.	Assurance. Ordinary. Annual Extra Risk.	Assurance. Temperance. No.	Assurance. Temperance. Sum Assured.	Assurance. Temperance. Annual Premium.	Assurance. Temperance. Annual Extra Risk.	Endowments and Investments. No.	Endowments and Investments. Sum Assured.	Endowments and Investments. Annual Premium.	Annuities. No.	Annuities. Annual Premium	Annuities. Annuity.	Total. No.	Total. Sum Assured.	Total. Annual Premium.	Total. Annual Extra Risk.	Total. Annuity.
		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total Policies in force at beginning of year	18,129	5,638,162 0 6	172,944 10 6	496 0 9	2,086	466,729 0 0	13,517 3 11	14 11 0	726	33,583 19 6	1,637 3 10	56	90 7 6	3,485 16 5	20,997	6,138,475 0 0	188,189 5 9	510 11 9	3,485 16 5
Add Policies issued during the year ..	2,772	624,557 4 0	19,026 9 9	8 1 2	1,112	225,153 16 0	6,476 3 4	8 17 8	483	10,058 16 0	532 6 10	12	..	569 13 8	4,379	859,769 16 0	26,034 19 11	16 18 10	569 13 8
Total ..	20,901	6,262,719 4 6	191,971 0 3	504 1 11	3,198	691,882 16 0	19,993 7 3	23 8 8	1,209	43,642 15 6	2,169 10 8	6	90 7 6	4,055 10 1	25,376	6,998,244 16 0	214,224 5 8	527 10 7	4,055 10 1
Deduct Policies discontinued during the year	1,684	461,357 9 4	15,260 0 6	97 5 9	304	64,802 0 0	1,739 1 8	7 5 0	165	5,808 18 4	276 12 10	5	70 8 4	144 0 0	2,158	531,968 7 8	17,346 3 4	104 10 9	144 0 0
Total Policies in force at end of year ..	19,217	5,801,361 15 2	176,710 19 9	406 16 2	2,894	627,080 16 0	18,254 5 7	16 3 8	1,044	37,833 17 2	1,892 17 10	63	19 19 2	3,911 10 1	23,218	6,466,276 8 4	196,878 2 4	422 19 10	3,911 10 1

Part II.—Particulars of Policies discontinued during 1885.

How discontinued.	Assurance. General. No.	Assurance. General. Sum Assured.	Assurance. General. Annual Premium.	Assurance. General. Annual Extra Risk.	Assurance. Temperance. No.	Assurance. Temperance. Sum Assured.	Assurance. Temperance. Annual Premium.	Assurance. Temperance. Annual Extra Risk.	Endowment and Investments. General. No.	Endowment and Investments. General. Sum Assured.	Endowment and Investments. General. Annual Premium.	Annuities. General. No.	Annuities. General. Annuity.	Annuities. General. Annual Premium	Total. General and Temperance. No.	Total. General and Temperance. Sum Assured.	Total. General and Temperance. Annual Premium.	Total. General and Temperance. Annual Extra Risk.	Total. General and Temperance. Annuity.
		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
By Death ..	157	47,852 0 0	1,772 11 7	5 10 0	15	2,600 0 0	92 2 2	..	..	..	..	5	144 0 0	..	177	50,452 0 0	1,864 13 9	5 10 0	144 0 0
" Maturity ..	7	1,400 0 0	108 13 4	..	..	..	..	..	6	600 0 0	29 5 6	..	..	..	13	2,000 0 0	137 18 10	..	..
" Surrender ..	269	88,899 11 0	3,079 8 3	6 10 0	19	4,325 0 0	108 0 3	..	13	661 16 7	27 11 8	..	..	..	301	93,886 7 7	3,215 0 2	6 10 0	..
" Lapse ..	1,238	310,855 18 4	8,892 18 9	42 2 8	269	56,427 0 0	1,494 16 8	0 15 0	138	4,160 3 10	204 9 0	..	..	..	1,645	371,443 2 2	10,592 4 5	42 17 8	..
" Change ..	..	..	17 7 4	..	..	..	1 9 1	..	..	..	..	..	..	..	..	..	18 16 5	..	..
Other causes ..	13	12,350 0 0	1,389 1 3	43 3 1	1	1,450 0 0	42 13 6	6 10 0	8	386 17 11	15 6 8	..	..	70 8 4	22	14,186 17 11	1,517 9 9	49 13 1	..
Total void ..	1,684	461,357 9 4	15,260 0 6	97 5 9	304	64,802 0 0	1,739 1 8	7 5 0	165	5,808 18 4	276 12 10	5	144 0 0	70 8 4	2,158	531,968 7 8	17,346 3 4	104 10 9	144 0 0

PART III.—PROGRESS of BUSINESS of the NEW ZEALAND GOVERNMENT INSURANCE ASSOCIATION since Date of Establishment to 31st December, 1885.

—	General Section.					Temperance Section.				Total.				
	No. of Policies.	Sum Assured.	Annual Premiums.	Annual Extra Risk.	Annuity.	No. of Policies.	Sum Assured.	Annual Premiums.	Annual Extra Risk.	No. of Policies.	Sum Assured.	Annual Premiums.	Annual Extra Risk.	Annuity.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total issued	31,080	9,072,116 17 1	283,997 4 1	1,504 16 1	4,808 17 1	3,424	738,277 16 0	21,366 2 1	25 13 8	34,504	9,810,394 13 1	305,363 6 2	1,530 9 9	4,808 17 1
Total discontinued	10,756	3,232,921 4 9	105,373 7 4	1,097 19 11	897 7 0	530	111,197 0	3,111 16 6	9 10 0	11,286	3,344,118 4 9	108,485 3 10	1,107 9 11	897 7 0
Total in force ..	20,324	5,839,195 12 4	178,623 16 9	406 16 2	3,911 10 1	2,894	627,080 16 0	18,254 5 7	16 3 8	23,218	6,466,276 8 4	196,878 2 4	422 19 10	3,911 10 1

[*Approximate Cost of Paper.*—Preparation, Nil; Printing (1,350 copies), £4 17s. 9d.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1886.