REPORT BY THE CONSULTING ACTUARIES

ON THE

FINANCIAL CONDITION OF THE AFFAIRS

OF THE

NEW ZEALAND

Government Insurance Department,

As on the 31st day of December, 1890,

Made under "The Government Life Insurance Act, 1886."

Report by the Consulting Actuaries, Messrs. Arthur Hutcheson Bailey, Ralph Price Hardy, and George King, on the Financial Condition of the Affairs of the New Zealand Government Insurance Department, as on the 31st December, 1890, made under "The Government Life Insurance Act, 1886."

Sir,— London, 4th January, 1892.

1. Pursuant to the instructions we had the honour to receive, and in accordance with the Acts constituting and regulating the New Zealand Government Insurance Department, we have made an investigation into the financial condition of the affairs of the Department as on the 31st December, 1890, and we now submit our report.

2. In our last valuation report a short statement of the history of the Department from its commencement was given. At the date of the valuation made as on the 31st December, 1885, there were two branches, the Ordinary and the Industrial, each of these branches being divided into two sections, the General and the Temperance, the accounts of all four sections being kept distinct. Shortly afterwards the Industrial business was discontinued, and it appears, from the annual accounts for the year 1887, that the small remaining fund of the Industrial had been merged in that of the Ordinary Branch, and that thereupon the Industrial Branch ceased to exist. There are still in force fifty-five Industrial policies, which have now been included in the valuation of the Ordinary Branch.

Having been consulted by the Colonial Government upon the question of whether the Temperance should be kept separate from the General Section, we reported on the 27th December, 1887, that in our opinion an amalgamation of the two would be practicable, and not unjust; and, accordingly, an Act was passed on the 10th September, 1890, carrying out this arrangement.

3. It appears from the particulars, which were supplied to us from the Department in 130 books, that on the 31st December, 1890, there were in force exactly 28,000 policies, assuring £7,544,030 8s., with reversionary bonuses of £263,761 15s., and 102 annuities of £5,668 14s. 5d. in all.

The following statement shows, in a few principal groups, particulars of the outstanding risks :—