

ACTUARY'S REPORT

ON THE VALUATION OF THE

GOVERNMENT INSURANCE DEPARTMENT

AS AT 31st DECEMBER, 1942

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

12th May, 1943.

IN accordance with your instructions, a valuation of the Department's liabilities under its policies has been made as at 31st December, 1942, 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 96,858 policies assuring, inclusive of bonus additions, the sum of £37,009,039 and £97,998 immediate and deferred annuities per annum, the Office premiums thereon amounting to £812,059 per annum.

The bases adopted for the valuation were as follows:—

- (a) Endowments: 3 per cent. interest without mortality:
- (b) Temporary Assurances: The proportion of the premiums corresponding to the unexpired risk:
- (c) All other Classes of Assurance: The *O_m* mortality table with 3 per cent. interest:
- (d) Annuities: The *a (m)* and *a (f)* mortality tables with 3 per cent. interest.

The net premium method of valuation was employed in respect of groups (a) and (c) above, and, in addition to the liability brought out on that basis, reserves were included for future bonuses, immediate payment of claims, and other contingencies, including those likely to arise out of the present war.

The valuation disclosed a total surplus of £353,773, as follows:—

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Total funds at 31st December, 1942	..	..	..	..	12,208,184
Less value of liabilities	..	..	..	..	11,866,054
Net surplus	..	..	..	..	342,130
Interim bonus paid during year	..	..	..	..	11,643
Total surplus	..	..	..	..	£353,773

In view of circumstances arising out of the war, I recommend that the above net surplus be carried forward and that interim bonuses be allotted on the sums assured and existing bonuses of all policies becoming claims at the following rates for each annual premium paid since 31st December, 1940:—

Double-endowment assurances (present issue) and pure endowments: 10s. per cent.

All other participating assurances: 15s. per cent.

S. BECKINGSALE, Actuary.

The Government Insurance Commissioner, Wellington.

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