1943
NEW ZEALAND

ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1942

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

Government Insurance Office, Wellington, 14th May, 1943.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended 31st December, 1942, 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.—New business for the year amounted to 4,888 policies, assuring the sum of £2,218,367, the premiums thereon being £45,593 per annum. Thirty annuities were also granted, the purchase-money being £24,089. The total business in force at the end of the year (including immediate, deferred, and contingent annuities for £97,998 per annum) comprises 96,858 policies, bearing an annual premium income of £812,059. The total sum assured is £33,388,155, to which reversionary bonuses amounting to £3,620,884 have been added.

Income.—The total income amounted to £1,386,181, made up as follows: Premium income, £840,903; interest income (net), £521,189; annuity-purchase money, £24,089. The total for the year exceeded that for the previous year by £26,125.

Outgoings.—During the year 2,095 policies became claims by the death of the policyholders and by maturity, the payment involved being £753,298. The total amount paid in claims since the inception of the Department amounts to £19,172,300.

Accumulated Funds.—Assurance, annuity, and endowment funds, apart from special reserves of £383,202, now stand at £12,208,184, an increase of £353,930 over the previous year.

Annual Bonus.—In view of conditions arising out of the war, it was decided last year to postpone the allotment of the surplus. Experience has shown that this decision was a prudent one, as the death claims in respect of the war have been heavy. The Actuary's report appended hereto discloses a surplus of £342,130, excluding interim bonuses paid during the year. It has been decided as regards the allotment of the surplus to follow the course adopted last year. Policyholders generally have expressed approval of the Department's action. Interim bonuses will be granted at rates approximately two-thirds of the 1940 rates on all policies becoming claims during the year.

Expense Ratios.—The ratio of expenses to (*a*) total income and (*b*) premium income for 1940, 1941, and 1942 is as follows:—

Ratio of Expenses to	1940.	1941.	1942.
(*a*) Total income	7·97	8·62	7·62
(*b*) Premium income	12·75	13·81	12·21

A large number of the Department's officers are engaged on active service.

I should like to pay a tribute to the good work done by members of the depleted staff, who have cheerfully undertaken the extra duties occasioned by the war. It is due to their efficiency, zeal, and loyalty that the Department holds such a high position in the keenly-competitive field of life insurance.

In conclusion, I may say that this report practically coincides with the occasion of my retirement after more than forty-two years' service with the Department. The Government Insurance Department was founded in 1869; it was a success from the outset, and epidemics, depressions, and wars have left it in an unassailable position. It can face with confidence whatever the future holds in store. I am proud to have been associated with a Department which has earned an enviable record for its just and liberal dealings with its clients, and which is universally recognized as a successful example of State enterprise.

W. E. ARNOLD, Commissioner.