

1944
NEW ZEALAND

ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31ST DECEMBER, 1943

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

Government Insurance Office, Wellington, 18th April, 1944.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended 31st December, 1943, and its position at that date. The Revenue Account, Balance-sheet, and State of Business are appended :

New Business and Amount of Business in Force. New business for the year amounted to 5,111 policies, assuring the sum of £2,674,836, the premiums thereon being £56,330 per annum. Twenty-six annuities were also granted, the purchase-money being £20,365. The total business in force at the end of the year (including immediate, deferred, and contingent annuities for £101,220 per annum) comprises 98,477 policies, bearing an annual premium income of £840,241. The total sum assured is £34,845,381, to which reversionary bonuses amounting to £3,444,497 have been added.

Income. The total income amounted to £1,402,421, made up as follows : Premium income, £849,231 ; interest income (net), £532,825 ; annuity-purchase money, £20,365. The total for the year exceeded that for the previous year by £16,240.

Outgoings. During the year 2,001 policies became claims by the death of the policyholders and by maturity, the payment involved being £720,317. The total amount paid in claims since the inception of the Department amounts to £19,892,616.

Accumulated Funds. Assurance, annuity, and endowment funds, apart from special reserves of £365,856, now stand at £12,664,713, an increase of £456,529 over the previous year.

Bonus Distribution. Owing to conditions arising out of the war, no allotment of the surplus was made for the years 1941 and 1942, but an allotment for the past three years has now been arranged. Interim bonuses have been paid on all participating policies which have become claims since the previous allotment.

The bonus investigation has been carried out by the Actuary, and his report appended hereto discloses a net cash surplus of £503,696 (excluding interim bonuses paid) for the past three years. Of this sum, £484,447 is being distributed in the form of compound reversionary bonuses upon the sum assured and existing bonuses. The total reversionary bonuses thus allotted for the three years amount to £793,230.

The rates of bonuses allotted compare favourably with those of other life offices operating in New Zealand.

Expense Ratios.—The ratio of expenses to (a) total income and (b) premium income for 1941, 1942, and 1943 is as follows :—

Ratio of Expenses to				1941.	1942.	1943.
(a)	Total income	..	..	8·62	7·62	8·15
(b)	Premium income	..	..	13·81	12·21	13·15

The slight increase in 1943 is due to the greater volume of new business. The Department conducts its business at a very low cost ; in fact, it is in the class of life offices whose expense rates are the lowest in the world.

General.—Mr. W. E. Arnold retired from the office of Commissioner during the year, having served in that capacity for ten years and having completed over forty-two years of good and faithful service to the Department.

The results of the Department's trading during the year may be reviewed with much satisfaction. Considering the greatly reduced field staff, the new business obtained has been particularly satisfactory.

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

Excellent work has been done by the members of the depleted staff, who have cheerfully carried out the extra duties imposed on them. I wish to take this opportunity of paying a tribute to their efficiency, zeal, and loyal co-operation which have enabled the Department to continue to give good service to the policyholders and to maintain its position as one of the leading life-insurance offices in the Dominion.

J. W. MACDONALD, Commissioner.