

ACTUARY'S REPORT
ON THE VALUATION OF THE
GOVERNMENT INSURANCE DEPARTMENT
AS AT 31st DECEMBER, 1943

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

4th April, 1944.

IN accordance with your instructions, a valuation of the Department's liabilities under its policies has been made as at 31st December, 1943, 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 98,477 policies assuring, inclusive of bonus additions, the sum of £38,259,878 and £101,220 immediate and deferred annuities per annum ; the Office premiums thereon amounting to £840,241 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 0^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 £517,992, as follows :—

					£
Total funds at 31st December, 1943	..	..	..	..	12,664,713
Less value of liabilities	..	..	..	..	12,161,017
Net surplus	..	..	..	..	503,696
Interim bonus paid during year	..	..	..	..	14,296
Total surplus	..	..	..	..	£517,992

I recommend that £19,279 of the net surplus be carried forward, and that £484,417 be divided amongst all participating policies in the form of a compound reversionary bonus on the sums assured and bonuses existing at the valuation date, at the following rates :

Policies issued under present premium tables—	Per Cent.
Whole-life assurances and endowment assurances maturing at ages	£ s. d.
eighty and over	3 10 0
Other endowment assurances	3 0 0
Pure and double endowment assurances	2 10 0
Policies issued under closed premium tables	3 0 0

The above rates apply in respect of policies on which three years' premiums have been paid during the triennium ended 31st December, 1943 ; proportionate rates apply in respect of policies on which less premiums have been paid during the same period.

S. BECKINGSALE, F.I.A., Actuary.

The Government Insurance Commissioner, Wellington.

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