

ACTUARY'S REPORT

ON THE VALUATION OF THE

GOVERNMENT INSURANCE DEPARTMENT

AS AT 31st DECEMBER, 1946

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

Wellington, 16th May, 1947.

IN accordance with your instructions, a valuation of the Department's liabilities under its policies has been made as at 31st December, 1946, 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 114,224 policies assuring, inclusive of bonus additions, the sum of £49,922,981 and £153,635 immediate and deferred annuities per annum ; the office premiums thereon amounting to £1,064,026 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.

The valuation disclosed a total surplus of £224,879, as follows :—

	£
Total funds at 31st December, 1946	14,110,517
Less value of liabilities	13,890,368
Net surplus	220,149
Interim bonus paid during year	4,730
	<u>£224,879</u>