REPORT BY THE ACTUARY

RESPECTING THE

VALUATION OF THE LIABILITIES

UNDER LIFE POLICIES AND ANNUITIES

OF THE

NEW ZEALAND GOVERNMENT INSURANCE DEPARTMENT

In terms of Section 36 of the Government Life Insurance Act, 1908

FOURTH SCHEDULE

I

THE date up to which the valuation was made was the 31st December, 1947.

II

The principles upon which the valuation and distribution of profits were made were as follows:—

(1) *Principles of Valuation.*—In making the valuation no credit whatever has been taken for any loadings or extra premiums, and in no case has there been valued for inclusion among the assets a valuation premium greater than the pure premium derived from the A 1924–29 Ultimate table of mortality with $2\frac{1}{2}$ per cent. interest. The liability has been ascertained by taking the difference between the present value of the sums assured (including reversionary bonuses) and the present value of the valuation premiums. Where the original premiums have been reduced by the application of amounts received in consideration of the surrender of former policies the valuation premiums have been reduced by an equal amount. In all cases where an extra premium was payable the policy has been valued at the true age, and an additional reserve of one year's extra premium has been made. Adequate extra reserves have been made for limited-premium policies and the immediate payment of claims in the case of whole-life assurances, and allowance has been