SESSION II.
1906.
NEW ZEALAND.

ACTUARY'S REPORT

ON THE VALUATION OF

THE GOVERNMENT INSURANCE DEPARTMENT

As at 31st December, 1905.

Presented to both Houses of the General Assembly pursuant to Section 45 of "The Government Insurance and Annuities Act, 1874," and Section 8 of "The Government Life Insurance Acts Amendment Act, 1890."

Wellington, 31st May, 1906.

IN accordance with instructions received I have made a valuation, as at the 31st December, 1905, of the liabilities of the Department, with the object of ascertaining the amount of surplus available for distribution amongst the policyholders, and I have now the pleasure of submitting the results of the investigation.

The progress of the Department during the triennium, when compared with the previous triennium, in respect of new business and total business in force, is shown by the following:—

Triennium.	New Business of Triennium.			In Force at End of Triennium.		
	Number of Policies.	Sums assured.	Annual Premiums.	Number of Policies.	Sums assured.	Annual Premiums.
		£	£		£	£
1899-1902	9,919	1,973,578	67,403	42,406	9,896,572	300,256
1902-1905	9,526	2,112,927	70,428	45,137	10,468,316	319,221

From this it will be seen that, while there has been a slight decrease in the *number* of new policies issued during the triennium, there has been a substantial increase in the *sum assured*, and also in the annual premiums payable thereon, thus showing a considerable increase in the average new policy. The increase in the amount of assurance transacted during the later period is principally characterized by a remarkable increase in double-endowment assurances.

The Consolidated Revenue Account, given below, shows the total income and expenditure for the past three years, and also the growth of the funds of the Department during the triennium; for purposes of comparison the Consolidated Revenue Account for the preceding triennium is also given.

CONSOLIDATED REVENUE ACCOUNT.

Triennium ending 31st December, 1905.		Previous Triennium.	Triennium ending 31st December, 1905.		Previous Triennium.
	£	£		£	£
Funds at beginning of triennium	3,382,817	2,997,681	**Death claims**	379,214	337,146
			Matured claims	239,495	190,223
Tontine Savings Fund No. 1	..	16,753	**Annuities paid**	38,293	34,840
Renewal premiums ..	855,085	799,447	**Surrenders**	124,820	156,236
New premiums	70,522	66,759	**Bonuses paid in cash** ..	17,442	28,915
Consideration for annuities	29,686	25,913	**Commission**	50,084	43,388
Interest	479,702	426,890	**Taxes**	29,269	28,695
Fees	25	39	**Expenses**	109,690	108,439
			Investment reserves ..	6,953	22,783
			Funds at end of triennium..	3,822,577	3,382,817
Total	£4,817,837	£4,333,482	Total	£4,817,837	£4,333,482

In commenting on the foregoing comparative statement of income and expenditure, it may be noted in the first place that the funds have been increased by £439,760 during the period under review.