1917.
NEW ZEALAND.

ANNUAL REPORT

OF THE

GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31ST DECEMBER, 1916.

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

Government Insurance Office, Wellington, 27th April, 1917.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended the 31st December, 1916, and its position at that date. The Revenue Account, Balance-sheet, and Statement of Business are appended.

New Business and Amount in Force.—During the year 3,994 proposals were dealt with for the assurance of £1,080,450. The number of policies actually completed was 3,276, assuring £883,396, with annual premiums amounting to £28,948. Twenty-six annuities were also granted, on which the purchase-money was £10,767.

The total business now in force, including 387 immediate and deferred annuities for £21,970 per annum, is 53,208 policies, bearing an annual premium income of £383,948. The sum assured, payable at death or maturity, is £12,874,754, to which have been added reversionary bonuses amounting to £1,384,618. The total business on the books thus amounts to £14,259,372.

Income.—The total income of the Department was £634,167—viz., premium income, £378,844; interest income (less land and income tax), £244,556; annuity purchase-money, £10,767.

Outgo.—During the year 836 policies became void by the deaths of policyholders, the claims amounting to £225,295. The claims arising out of the war amongst the oversea forces numbered 360, or 43 per cent. of the total, representing in sums assured and bonuses £72,600. Six hundred and fifty policies also matured for £163,592.

The total sum which has been paid in respect of claims by death and survival since the foundation of the Department forty-seven years ago has amounted to £6,115,554.

The expenses of management, including commission, amounted to £61,955, a reduction of £7,410 as compared with the previous year. The ratio of expenses (excluding land and income tax) to total income was 9·8 per cent.

Accumulated Funds.—The total assurance, annuity, and endowment funds, apart from a special investment reserve of £189,121, now stand at £5,202,898.

The Balance-sheet.—On the 31st December, 1916, the total assets of the Department amounted to £5,481,732, and were invested as shown in the following statement, which also gives the distribution of the assets at the end of the previous year for purposes of comparison:—

At 31st December, 1915.		Class of Investment.	At 31st December, 1916.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
3,312,413	61·9 per cent.	Mortgages on freehold property ...	3,227,796	58·9 per cent.
832,301	15·6 "	Loans on policies	809,533	14·8 "
685,900	12·8 "	Government securities	855,900	15·6 "
204,019	3·8 "	Local bodies' debentures	210,487	3·8 "
134,963	2·5 "	Landed and house property	134,930	2·5 "
125,108	2·3 "	Miscellaneous assets...	131,882	2·4 "
55,834	1·1 "	Cash in hand and on current account ...	111,204	2·0 "
5,350,538	100·0 per cent.	Total	5,481,732	100·0 per cent.

It will be noticed that Government securities have increased by £170,000, represented by the final instalment (£20,000) of the Department's Life Branch subscription to the 1915 local loan, and £150,000 out of £200,000 of the war bonds subscribed in 1916. The final instalment of these war bonds (£50,000) was paid over when it became due early in the present year.

The rate of interest realized on the mean funds, after the deduction of land and income tax from interest, was £4 15s. 1d. per cent.

The Staff.—In common with those of other institutions the Department's staff has been seriously depleted by the enlistments of its officers in the New Zealand Expeditionary Forces. The total number who had enlisted up to the end of last year was thirty-three, whilst during the present year eleven more gentlemen have gone into camp or are on the point of being called up. It has been the consistent aim of the Department to encourage its officers to respond to the call of duty, and in spite of serious inconveniences no applications for exemption from service have hitherto been made on behalf of any members of the staff. Unfortunately the situation has become seriously aggravated by numerous transfers of experienced officers to other Departments of the Public Service, but the Department will endeavour to continue its past policy as regards enlistments, and will not appeal for the exemption of any of its remaining officers from military service so long as it can possibly avoid doing so.

J. H. Richardson,
Government Insurance Commissioner.

Revenue Account of the Government Life Insurance Department for the Year ended 31st December, 1916.

				£	s.	d.
Amount of Funds at 1st January, 1916				5,089,868	12	8
Renewal premiums—Assurance, Annuity, and Endowment				350,397	4	6
New premiums (including instalments of first year's premiums falling due in the year)				26,867	4	3
Single premiums—Assurance and Endowment				1,578	18	8
Consideration for Annuities				10,767	4	2
Interest ..	£256,504	15	8			
Less land and income tax ..	11,948	14	3			
				244,556	1	5
				£5,724,035	5	8

				£	s.	d.
Death claims under policies, Assurance, including bonus additions				225,294	17	6
Endowment Assurances matured, including bonus additions				160,234	6	11
Endowments matured				3,357	5	0
Premiums returned on endowments ..				153	12	0
Bonuses surrendered for cash ..				2,400	4	6
Annuities				18,835	15	2
Surrenders				14,764	13	4
Loans released by surrender				34,141	10	9
Commission, new* ..	£19,004	9	5			
" renewal	2,813	9	7			
				21,817	19	0
Expenses of management—						
Salaries—						
Head Office ..	£17,572	19	5			
Branch offices and agents	8,072	15	3			
Extra clerical assistance	837	7	0			
Medical fees and expenses	4,128	9	6			
Travelling-expenses ..	384	3	3			
Advertising	579	13	8			
Printing and stationery	1,233	9	7			
Rent	2,841	10	1			
Postage and telegrams	1,837	0	2			
Exchange	59	8	10			
General expenses ..	2,289	18	9			
Triennial expenses ..	300	0	0			
				40,136	15	6
Amount of Funds, 31st December, 1916				5,202,898	6	0
				£5,724,035	5	8

* Including Agents' allowances.

BALANCE-SHEET OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT ON 31ST DECEMBER, 1916.

Liabilities.

	£	s.	d.
Total Assurance, Annuity, and Endowment Funds (as per Revenue Account)	5,202,898	6	0
Claims admitted, proofs not yet completed	76,446	6	0
Annuities	199	17	3
Commission	48	0	9
Medical fees	252	0	0
Premium and other deposits.. ..	12,230	17	3
Fire-insurance moneys in suspense ..	535	0	0
Investment Fluctuation Reserve ..	189,121	6	1
	£5,481,731	13	4

Assets.

	£	s.	d.	£	s.	d.
Loans on policies				809,533	5	3
Government securities—						
Consolidated stock ..	625,900	0	0			
Debentures issued under the District Railways Purchasing Act 1885 Extension and Amendment Act, 1886 ..	40,000	0	0			
Debentures issued under the authority of the Finance Act, 1915	40,000	0	0			
War Bonds issued under the authority of the Finance Act, 1916	150,000	0	0			
				855,900	0	0
Municipal Corporation debentures ..				117,423	9	2
County securities				9,736	2	7
Harbour Board debentures				37,300	0	0
Town Board debentures				25,450	0	0
Road Board debentures				18,500	0	0
Drainage Board debentures				2,077	4	6
Landed and house property				133,120	13	8
Landed and house property (leasehold)				1,809	10	0
Mortgages on property				3,227,795	9	0
Properties acquired by foreclosure ..				2,848	9	9
Overdue premiums on policies in force ..	£5,800	3	9			
Outstanding premiums due but not overdue..	41,669	9	10			
				47,469	13	7
Overdue interest ..	£1,933	5	5			
Outstanding interest due but not overdue..	10,389	7	8			
Interest accrued but not due	66,943	17	2			
				79,266	10	3
Agents' balances				2,157	13	6
Sundry accounts owing				139	10	4
Cash in hand and on current account..				111,204	1	9
				£5,481,731	13	4

Government Life Insurance Department, 6th March, 1917.

J. H. RICHARDSON, Commissioner.
W. B. HUDSON, Secretary.

Audited and found correct.

ROBERT J. COLLINS,
Controller and Auditor-General.

Statement of Business

YEAR 1916.	TOTAL. No.	TOTAL. Sum assured.	TOTAL. Reversionary Bonuses.	TOTAL. Annual Premiums. *1. Ordinary. 2. Extra.*	TOTAL. Annuities. *1. Immediate. 2. Deferred.*	*Whole-life and Term Assurances.* No.	*Whole-life and Term Assurances.* Sum assured.	*Whole-life and Term Assurances.* Reversionary Bonuses.	*Whole-life and Term Assurances.* Annual Premiums. *1. Ordinary. 2. Extra.*
POLICIES ISSUED AND DISCON-									
		£	£	£ s. d.	£ s. d.		£	£	£ s. d.
Policies in force at 31st December, 1915	52,950	12,754,151	1,466,794	372,578 19 0 6,128 10 10	18,787 3 11 3,557 4 6	11,612	3,517,877	760,492	79,798 1 9 3,124 12 6
New Business	3,302	883,396	..	25,041 17 8 3,905 18 8	1,119 4 0 17 15 10	504	193,550	..	4,658 17 8 945 6 9
Bonus allotted ..	..	..	17	..	..	..	..	17	..
Total.. ..	56,252	13,637,547	1,466,811	397,620 16 8 10,034 9 6	19,906 7 11 3,575 0 4	12,116	3,711,427	760,509	84,456 19 5 4,069 19 3
Policies discontinued during 1916	3,044	762,793	82,193	22,828 17 1 946 11 8	1,418 4 6 92 15 10	670	217,253	35,543	5,143 1 9 410 13 4
Total Policies in force at 31st December, 1916	**53,208**	**12,874,754**	**1,384,618**	**374,791 19 7** **9,087 17 10**	**18,488 3 5** **3,482 4 6**	11,446	3,494,174	724,966	79,313 17 8 3,659 5 11
PARTICULARS OF POLICIES DISCON-									
How discontinued.									
By Death	861	189,158	33,586	6,157 5 9 463 2 9	1,511 0 4	311	90,461	25,973	2,317 8 6 203 0 11
Maturity	650	133,211	28,420	5,301 14 9 24 13 4	..	..	..	..	..
Surrender	457	101,744	6,574	3,130 13 5 19 17 10	..	71	18,638	2,436	425 7 11 7 8 6
Surrender of Bonus..	..	..	3,783	..	..	..	..	2,170	..
Lapse	1,068	336,639	9,812	7,890 7 9 186 12 3	..	280	106,189	4,947	2,303 1 3 127 12 10
Expiry of Policy ..	8	1,500	..	18 1 3 40 0 0	..	8	1,500	..	18 1 3 40 0 0
Expiry of Premium..	..	..	..	71 10 4 ..	..	..	..	..	48 18 6 ..
Miscellaneous ..	..	541	18	259 3 10 212 5 6	..	..	465	17	30 4 4 32 11 1
Total ..	**3,044**	**762,793**	**82,193**	**22,828 17 1** **946 11 8**	**1,511 0 4**	670	217,253	35,543	5,143 1 9 410 13 4
PROGRESS OF BUSINESS OF THE GOVERNMENT LIFE INSURANCE									
Total issued	136,740	33,656,697	3,246,220	1,026,955 10 6 22,989 14 7	95,052 5 0	43,211	13,032,446	1,824,685	339,451 0 5 13,815 10 7
Total void	83,532	20,781,943	1,861,602	652,163 10 11 13,901 16 9	73,081 17 1	31,765	9,538,272	1,099,719	260,137 2 9 10,156 4 8
Total in force ..	**53,208**	**12,874,754**	**1,384,618**	**374,791 19 7**	**21,970 7 11**	11,446	3,494,174	724,966	79,313 17 8
Extra Premiums				9,087 17 10	..	..	..	..	3,659 5 11
Reduction of Premiums by Bonus, &c. ..				68 7 8	..	..	..	..	..
				£383,948 5 1					

NOTE.—The Ordinary Premium is the premium charged

Wellington, 24th February, 1917.

at End of Year 1916.

ASSURANCES.								ANNUITIES.			SIMPLE ENDOWMENTS, INVESTMENTS, ETC.		
Endowment Assurances.				*Annuity Assurances.*									
No.	Sum assured.	Reversionary Bonuses.	Annual Premiums. *1. Ordinary.* *2. Extra.*	No.	1. Sum assured. 2. Reversionary Bonuses.	Deferred Annuities.	Annual Premiums.	No.	Annual Premiums.	Annuities. *1. Immediate.* *2. Deferred.*	No.	1. Sum assured. 2. Reversionary Bonuses.	Annual Premiums.
TINUED DURING THE YEAR 1916.													
	£	£	£ s. d.		£	£ s. d.	£ s. d.		£ s. d.	£ s. d.		£	£ s. d.
39,287	8,949,317	703,786	284,184 9 10 3,003 18 4	69	16,322 2,077	3,537 4 6	847 6 1	385 1	.. 6 0 6	18,787 3 11 20 0 0	1,596	270,635 439	7,743 0 10
2,534	633,296	..	18,681 1 5 2,960 11 11	..	200 ..	17 15 10	10 14 0	26 ..	.. ..	1,119 4 0 ..	238	56,350 ..	1,691 4 7
..	..	..	..	..	.. ..	..	..	..	..	..	..	.. ..	..
41,821	9,582,613	703,786	302,865 11 3 5,964 10 3	69	16,522 2,077	3,555 0 4	858 0 1	411 1	.. 6 0 6	19,906 7 11 20 0 0	1,834	326,985 439	9,434 5 5
2,229	521,890	46,309	17,035 9 7 535 18 4	2	850 84	92 15 10	43 14 4	25 ..	.. ..	1,418 4 6 ..	118	22,800 257	606 11 5
39,592	9,060,723	657,477	285,830 1 8 5,428 11 11	67	15,672 1,993	3,462 4 6	814 5 9	386 1	.. 6 0 6	18,488 3 5 20 0 0	1,716	304,185 182	8,827 14 0
TINUED DURING THE YEAR 1916.													
523	97,847	7,534	3,797 7 3 260 1 10	2	850 79	92 15 10	42 10 0	25	..	1,418 4 6	..	..	..
625	130,111	28,163	5,162 13 6 24 13 4	..	..	..	..	..	..	..	25	3,100 257	139 1 3
326	71,706	4,138	2,358 15 2 12 9 4	..	..	..	..	..	..	..	60	11,400 ..	346 10 4
..	..	1,608	..	..	.. 5	..	..	..	..	..	..	..	..
755	222,150	4,865	5,484 3 8 58 19 5	..	..	..	..	..	..	..	33	8,300 ..	103 2 10
..	..	..	..	..	..	..	..	..	..	..	..	..	..
..	..	..	6 6 10 ..	..	..	..	..	..	..	..	..	..	16 5 0
..	76	1	226 3 2 179 14 5	..	..	..	1 4 4	..	..	..	..	..	1 12 0
2,229	521,890	46,309	17,035 9 7 535 18 4	2	850 84	92 15 10	43 14 4	25	..	1,418 4 6	118	22,800 257	606 11 5
DEPARTMENT SINCE DATE OF ESTABLISHMENT TO 31st DECEMBER, 1916.													
86,998	19,907,512	1,414,367	659,919 16 4 9,174 4 0	1106	158,350 6,335	57,375 9 0	8,451 2 6	819	348 0 10	37,676 16 0	4,606	558,389 833	18,785 10 5
47,406	10,846,789	756,890	374,089 14 8 3,745 12 1	1039	142,678 4,342	53,913 4 6	7,636 16 9	432	342 0 4	19,168 12 7	2,890	254,204 651	9,957 16 5
39,592	9,060,723	657,477	285,830 1 8	67	15,672 1,993	3,462 4 6	814 5 9	387	6 0 6	18,508 3 5	1,716	304,185 182	8,827 14 0
.. ..	.. ..	.. ..	5,428 11 11 ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..

at the true age; the Extra, the additional premium charged for any reason whatsoever.

J. H. Richardson, Commissioner
Percy Muter, Actuary.

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