

1926.
NEW ZEALAND.

ANNUAL REPORT
OF THE
GOVERNMENT INSURANCE COMMISSIONER
FOR THE YEAR ENDED 31st DECEMBER, 1925.

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

Government Insurance Office, Wellington, 10th May, 1926.

PURSUANT to the Government Life Insurance Act, 1908, I beg to make the following report upon the operations of the Department for the year ended 31st December, 1925.

The Revenue Account, Balance-sheet, and Statement of Business are appended.

Business.—The year has witnessed another substantial improvement in the figures relating to all aspects of the business, and the progress made in the previous year has been more than maintained, as is seen from a comparison of the last three years :—

	1923.	1924.	1925.
New policies issued—			
(a.) Number	4,754	5,149	5,830
(b.) Insuring	£1,581,722	£1,718,842	£1,910,013
Business in force—			
(a.) Number	60,545	61,804	63,775
(b.) Insuring (exclusive of bonus)	£16,549,451	£17,190,783	£18,008,402
(c.) Average sum assured per policy in force	£273	£278	£282
Income—	£	£	£
(a.) Premiums	489,171	511,380	537,574
(b.) Interest	315,425	331,850	349,783
(c.) Annuity purchase-money	10,042	11,361	22,791
(d.) Total income	814,638	854,591	910,148
Outgo for claims—			
(a.) Deaths	166,797	185,777	182,131
(b.) Matured policies	235,409	229,359	251,781
Accumulated funds	6,222,485	6,448,658	6,731,118

The volume of new business completed during the year was a record, and—what is more important—was obtained at a cost lower than the cost of the previous year.

Interest.—The net effective rate of interest credited to the funds, after deduction of land and income tax from interest, was £5 9s. 1d., which is again in excess of the yield obtained during any previous year. The maintenance of the highest yield possible from the investments is necessary to a life office as an indispensable element in the production of bonuses. Not only this, but, in view of the constantly improving vitality of annuitants, life offices would sustain serious losses in connection with their annuity contracts but for the compensating advantage of a satisfactory margin in the interest yield ; in this respect the Department stands well—an important fact in view of its annuity business being larger than the New Zealand annuity business of all other life offices combined.

General.—During the year several important amendments to Acts regulating life-assurance business in this country were sanctioned. By the Life Insurance Amendment Act, 1925, the provisions relating to the protection of policies from bankruptcy were improved, and extended facilities were secured for vesting policies of limited values in persons entitled to them without the necessity for producing probate or letters of administration.