

1927.
NEW ZEALAND.

ANNUAL REPORT
OF THE
GOVERNMENT INSURANCE COMMISSIONER

FOR THE YEAR ENDED 31st DECEMBER, 1926.

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

Government Insurance Office, Wellington, 31st May, 1927.

I HAVE the honour to submit the following report upon the transactions of the Department for the year ended 31st December, 1926, and its position at that date. The Revenue Account, Balance-sheet, and Statement of Business are appended.

New Business and Amount of Business in Force.—The year has been one of steady and satisfactory progress, 5,710 policies being issued for assurances totalling £1,883,705, with annual premiums amounting to £60,608 13s. 10d. Twenty-one annuities were granted, the purchase-money totalling £13,683.

The total business now in force (including immediate and deferred annuities for £24,996 per annum) is 65,396 policies, bearing an annual premium income of £575,420. The sum assured is £18,743,397, to which reversionary bonuses totalling £1,475,007 have been added. The total business on the books therefore exceeds twenty millions.

Income.—The total income of the Department for the year was £951,897—viz., premium income £566,440, interest and rents (after payment of land and income tax) £371,774, and annuity purchase-money £13,683.

Outgo for Claims.—During the year 971 policies matured for a total of £237,267, and 537 policies became claims by death of the assured, the amounts payable aggregating £179,988.

Accumulated Funds.—The total Assurance Fund amounts to £7,029,584, an increase of £298,466 for the year. The Department also has a special Investment Fluctuation Reserve Fund amounting to £206,099.

Interest.—The effective rate of interest realized after deduction of land and income tax from interest was £5 11s. 1d. per cent., an increase of 2s. per cent. over the rate of 1925, and 3s. 6d. per cent. over the rate of 1924.

Expense Ratios.—The expense ratios for the past three years are as follows:—

	1924.	1925.	1926.
(a) Total expenses to total income	11·292	11·081	10·533
(b) Total expenses to total premium income	18·460	17·998	17·282

Triennial Investigation.—The valuation of the Department's assurance and annuity liabilities on the 31st December last has been completed by the Government Actuary, and the results are set out in his report. The net surplus disclosed by his investigation (the basis of which he states is