

1946  
NEW ZEALAND

## ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31ST DECEMBER, 1945

*Presented to both Houses of the General Assembly pursuant to Section 22 of the Government  
Accident Insurance Act, 1908*

State Fire Insurance Office, Wellington, 29th March, 1946.

I HAVE the honour to submit the forty-fifth annual report of the Government Accident Insurance Office for the year ended 31st December, 1945, together with the Revenue Account and Balance-sheet.

The following comparison with the previous two years shows the position briefly :—

Income—							
		1943.		1944.		1945.	
Premiums from all classes of accident insurance .. .. .	£	384,035	£	298,250	£	335,690	£
Interest .. .. .		22,588		25,427		26,502	
Profit on realization of securities .. .. .		..		432		1,825	
Transferred from reserve for unearned premiums .. .. .		..		25,000		..	
		<u>406,623</u>		<u>349,109</u>		<u>364,017</u>	
Outgo—							
Bonus and sums accrued under profit-sharing schemes .. .. .		590		467		14,791	
Claims .. .. .		193,816		202,552		238,459	
Working-expenses (exclusive of income-tax) .. .. .		43,656		51,808		61,346	
Carried to reserve for unearned premiums .. .. .		72,813		..		..	
Income-tax .. .. .		54,597		69,174		16,758	
National and social security tax .. .. .		10,720		14,977		2,920	
		<u>376,192</u>		<u>338,978</u>		<u>334,274</u>	
Surplus, apportioned as follows :—							
Bonus Reserve .. .. .		30,000		10,000		10,000	
Reserve Fund .. .. .		431		131		19,743	
		<u>30,431</u>		<u>10,131</u>		<u>29,743</u>	
<b>Total .. .. .</b>		<b><u>406,623</u></b>		<b><u>349,109</u></b>		<b><u>364,017</u></b>	
Reserves and funds as at 31st December .. .. .							
		<u>690,321</u>		<u>675,452</u>		<u>705,195</u>	
Ratio of claims (all classes of business) to premium income .. .. .				Per Cent.	Per Cent.	Per Cent.	
		50·47		67·91		71·04	
Ratio of working-expenses (exclusive of income-tax) to premium income .. .. .				11·37	17·37	18·27	
Ratio of underwriting surplus to premium income .. .. .				6·18	0·72	5·77	

It is pleasing to note that the premium income, which is derived from all classes of accident insurance, shows an increase of £37,440 over that of the previous year. This result must be considered quite satisfactory.

After full provision for outstanding claims has been made, the claims ratio for the year (71·04) shows an increase of 3·13 over the previous year. This is mainly accounted for by the fact that claims from insurances under the Motor-vehicles Insurance (Third-party Risks) Act, 1928, were considerably higher than in 1944.

Commencing on the 1st January, 1945, the Office allowed its policyholders a rebate of  $12\frac{1}{2}$  per cent. on all renewal premiums.

The staff, who are not yet back to full strength, have again passed through a difficult year in a capable manner, and I desire to express my appreciation of their keenness, efficiency, and co-operation.

R. H. NEWBOLD, General Manager.

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REVENUE ACCOUNT OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1945

	£	s.	d.		£	s.	d.
Premiums after deduction of reinsurance	..	..	..	Bonus and sums accrued under profit-sharing schemes ..	14,791	0	7
Interest (including interest on Reserve	£	s.	d.	Claims ..	238,459	4	1
Fund investments) ..	26,502	1	10	Income-tax on underwriting account ..	1,445	14	3
Less tax on interest—	£			National and social security tax on underwriting account	269	10	0
Income-tax ..	15,312			Commission ..	10,621	11	3
National and social security	..			Salaries ..	39,100	4	0
tax ..	2,650			Contribution to Public Service Superannuation Fund ..	305	16	0
	17,962	0	0	Expenses of management ..	11,318	11	11
Profit on realization of securities	..	..	..		316,311	12	1
	..	..	..	Appropriation to Bonus Reserve ..	10,000	0	0
				Amount of Accident Funds, 31st December, 1945	19,743	2	4
					£346,054	14	5

## BALANCE-SHEET OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE AS ON THE 31ST DECEMBER, 1945

<i>Liabilities</i>				<i>Assets</i>			
	£	s.	d.		£	s.	d.
Accident Funds, as per Revenue Account	..	19,743	2 4	Government securities	..	518,852	0 0
Outstanding accident claims	..	239,755	0 0	Local-authority securities	..	130,393	0 4
Government taxes	..	114,377	4 3	Rural Advances bonds	..	4,725	0 0
Commission	..	1,218	0 0	Fixed deposits and at short call	..	50,000	0 0
Premium and other deposits	..	1,850	11 0	Interest accrued but not due	..	5,520	0 0
Sundry creditors	..	16,117	18 6	Agents' balances	..	5,524	9 9
Reinsurance premiums due	..	265	10 1	.. .. Motor-vehicles Insurance	..	..	..
Officers' Fidelity Fund	..	500	0 0	Sundry debtors, including	..	229,743	6 3
Reserve for unearned premiums	..	182,200	14 0	(Third-party Risks) Act pool	..	134,021	5 7
Bonus Reserve	..	50,000	0 0	Cash in hand on current account	..	..	..
Investment Fluctuation Reserve	..	70,000	0 0		..	..	..
Reinsurance Reserve	..	56,000	0 0		..	..	..
Bad Debts Reserve	..	1,000	0 0		..	..	..
Reserve Fund constituted under section 6 of the Govern- ment Accident Insurance Amendment Act, 1924	..	325,751	1 9		..	..	..
		£1,078,779	1 11			£1,078,779	1 11

31st May, 1946.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—J. P. RUTHERFORD, Controller and Auditor-General.

R. H. NEWBOLD, (General Manager.  
T. L. SEATOR, Deputy General Manager.

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