

1930.
NEW ZEALAND.

ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1929.

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

State Fire Insurance Office, Wellington, 24th June, 1930.

I HAVE the honour to submit the twenty-ninth annual report of the Government Accident Insurance Office for the year ended 31st December, 1929, together with the Revenue Account and Balance-sheet.

The following comparison with the previous two years shows the progress made:—

	1927.	1928.	1929.
Income—	£	£	£
Premiums from all classes of accident insurance	65,560	71,731	81,353
Interest	10,895	12,368	13,342
Outgo—			
Claims.. .. .	38,972	43,807	49,853
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims to premium income	59.44	61.07	61.28
	£	£	£
Free-year bonus on personal accident policies	154	145	166
Working-expenses (exclusive of income-tax)	15,394	16,482	18,340
Ratio of working-expenses (exclusive of income-tax) to premium income	Per Cent. 23.49	Per Cent. 22.98	Per Cent. 22.55
	£	£	£
Income-tax	2,430	3,294	3,939
Carried to reserve for unearned premiums	3,248	2,776	4,330
	Per Cent.	Per Cent.	Per Cent.
Ratio of underwriting surplus to premium income	11.88	11.88	10.65
	£	£	£
Carried to Investment Fluctuation Reserve	3,000
Surplus	16,255	17,592	15,066
Reserves and funds as at 31st December	225,539	245,909	268,306

It will be noticed from the above figures that a greater increase in premium income was secured than in the previous year, and that the expense ratio was reduced to 22.55 per cent., the lowest recorded in the history of the Office. In view of the general depreciation in securities, the Investment Fluctuation Reserve has been increased by £3,000. Without this transfer the surplus for the year would have been slightly larger than for 1928.

Workers' Compensation Insurance.—Employers with a record of claims above the average for their class are finding it increasingly difficult to secure a continuance of insurance cover with insurance companies, and during the year the State Accident Office has been called upon to assist a number of such employers who otherwise would have been unprotected. The effect of this has been to raise the Department's loss ratio on its compensation business to an average of 73.35 per cent., which is above the claim average (71 per cent.) on which premiums are based.