

SESSION II.  
1921.  
NEW ZEALAND.

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## ACCIDENT INSURANCE BRANCH OF THE GOVERNMENT INSURANCE DEPARTMENT.

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31ST DECEMBER, 1920.

*Laid before Parliament pursuant to Section 22 of the Government Accident Insurance Act, 1908.*

Government Insurance Office, Wellington, 30th June, 1921.

I HAVE the honour to submit my report on the business of the Accident Insurance Branch of the Department for the year ended 31st December, 1920, together with the Revenue Account and Balance-sheet.

The gross premium income amounted to £30,268, and after deducting reinsurances to £29,852, a record amount.

The claims were £14,975, an increase of £1,825 as compared with the previous year.

The gross return from interest was £6,209, as compared with £5,754 in 1919. The sum of £1,255 was paid in taxes.

The ratio of management expenses to premiums was 28·3 per cent., and to total income 24·3 per cent. Though showing a slight increase upon the ratios of last year, these figures are below those of the years immediately preceding the war, a fact which is the more striking when considered in relation to the universal increase in costs.

The Balance-sheet shows an increase of £25,000 in War Loan stock, and the total holding by the Accident Branch is now £84,500, in addition to £10,000 debentures under the Finance Act, 1915, the two together representing 69 per cent. of the total invested funds.

During the year the Workers' Compensation Amendment Act, 1920, was passed. This Act, which came into force on the 1st February, 1921, makes some important alterations in the law in the direction of increasing the compensation for industrial accidents. The most important amendments are—

- (1.) Extension of definition of "worker" to include clerical and non-manual labour where the remuneration is £400 and under (former limit £260).
- (2.) Increase in maximum death payment from £500 to £750, making, with the limit for medical and funeral expenses, a possible claim of £800.
- (3.) Increase in weekly allowance on incapacity from 50 per cent. to 55 per cent. of the average weekly earnings, in the maximum weekly payment from £2 10s. to £3 15s., and in the maximum total weekly payments from £500 to £750.
- (4.) Payment from date of accident, provided that incapacity lasts three days.

In this connection, the fact that the Department systematically tabulates the experience of the whole of the workers' compensation insurance business of New Zealand upon a scientific actuarial basis has not only enabled it to furnish the Legislature with accurate and reliable data as to the probable cost of the various suggested amendments in the law, but has also placed it in a position to regulate effectively the premiums charged in New Zealand in respect of this class of business. It is fair to claim that the policy of the Department in keeping the premiums, and consequently the profits, on a moderate basis is conferring a benefit upon employers and the public generally, thus carrying out the Department's function, which is to reduce the rates as far as can be consistently done.

J. H. RICHARDSON,  
Government Insurance Commissioner