

1924.  
NEW ZEALAND.

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ACCIDENT INSURANCE BRANCH OF THE GOVERNMENT  
INSURANCE DEPARTMENT

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1923.

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

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Government Insurance Office, Wellington, 6th June, 1924.

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, 1923, together with the Revenue Account and Balance-sheet.

The gross premium income amounted to £35,560, and, after deducting reinsurances, to £35,268.

The claims were £22,402, an increase of £2,072 as compared with the previous year. Owing largely to the increase effected by recent legislation in the benefits under the Workers' Compensation Act, for which no increase has been made in the premiums, the ratio of claims to premiums is higher than usual—namely, 63·5 per cent. In effect this gratuitous increase of benefits is equivalent to a substantial rebate of premiums.

The gross return from interest was £7,719, as compared with £7,598 in 1922. The sum of £1,511 was paid in taxes.

The ratio of management expenses to premiums was 28·9 per cent., and to total income 24·5 per cent. The average ratio of expenses to premiums in the case of the Department's competitors in 1922 was nearly 37 per cent., so that it will be realized that the Department's business is very economically conducted.

The total holding in New Zealand inscribed stock by the Accident Branch is £103,500, in addition to £10,000 debentures under the Finance Act, 1915, the two together representing 75 per cent. of the total invested funds.

The statutory Reserve Fund stands at £115,020.

The total assets at the end of the year amount to £177,889.

The Department has now under attention the periodical actuarial investigation into the equity and correctness of the basic premiums charged to the different industries for insurance against their liabilities under the Workers' Compensation Act. This has always been a notable feature of the Department's activities, the result being that the business of accident insurance, especially workers' compensation, as transacted in New Zealand enjoys, along with life insurance, the distinction of being based on a scientific and equitable foundation.

A. T. TRAVERSI, F.I.A., F.C.A.S.,  
Commissioner.

REVENUE ACCOUNT OF THE ACCIDENT BRANCH OF THE GOVERNMENT INSURANCE DEPARTMENT FOR  
THE YEAR ENDED 31ST DECEMBER, 1923.

			£	s.	d.				£	s.	d.
Amount of Accident Funds, 1st January, 1923 .. .. .			21,068	15	5	Claims .. .. .			22,401	14	7
Premiums .. .. .	£35,559	11 10				Commission .. .. .			4,548	7	6
Less reinsurance premiums .. .. .	291	19 3				Salaries .. .. .			3,940	0	0
			35,267	12	7	Expenses of management .. .. .			1,689	9	11
Interest .. .. .	7,718	11 9				Further appropriation to Reserve for unearned premiums .. .. .			876	0	0
Less land and income tax .. .. .	1,510	13 4				Amount of Accident Funds, 31st December, 1923 .. .. .			29,088	14	5
			6,207	18	5						
			<u>£62,544</u>	<u>6</u>	<u>5</u>				<u>£62,544</u>	<u>6</u>	<u>5</u>

BALANCE-SHEET OF THE ACCIDENT BRANCH OF THE GOVERNMENT INSURANCE DEPARTMENT ON  
31ST DECEMBER, 1923.

<i>Liabilities.</i>			£	s.	d.	<i>Assets.</i>			£	s.	d.	
Accident Funds, as per Revenue Account			29,088	14	5	Debentures issued under authority of the Finance Act, 1915 .. .. .			10,000	0	0	
Claims admitted (proofs not yet completed) .. .. .			12,000	0	0	New Zealand Inscribed Stock—War Loans .. .. .			100,500	0	0	
Commission .. .. .			417	10	0	New Zealand Inscribed Stock .. .. .			3,000	0	0	
Premium and other deposits .. .. .			443	14	6	Mortgages on property .. .. .			38,805	0	0	
Sundry creditors .. .. .			1,713	18	2	Overdue interest .. .. . Nil						
Officers' Fidelity Fund .. .. .			400	0	0	Outstanding interest due .. .. .	£	s.	d.			
Reserve for unearned premiums .. .. .			15,805	0	0	but not overdue .. .. .	105	16	3			
Investment Fluctuation Reserve .. .. .			3,000	0	0	Interest accrued but not due .. .. .	1,620	0	3	1,725	16	6
Reserve Fund constituted under section 20 of the Government Accident Insurance Act, 1908 .. .. .			115,019	19	11	Agents' balances .. .. .				697	8	7
			<u>£177,888</u>	<u>17</u>	<u>0</u>	Cash in hand and on current account .. .. .				23,160	11	11
										<u>£177,888</u>	<u>17</u>	<u>0</u>

Government Insurance Department, 26th May, 1924.

A. T. TRAVERSI, F.I.A., F.C.A.S., Commissioner.  
G. A. KENNEDY, Secretary.

The Audit Office, having examined the Revenue Account and balance-sheet, and compared them with the relative books, documents, and securities, hereby certifies them to be in accordance therewith.—G. F. C. CAMPBELL, Controller and Auditor-General.

*Approximate Cost of Paper.*—Preparation, not given ; printing (725 copies), £2 7s. 6d.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1924.

Price 3d.]