

1925.
NEW ZEALAND.

ACCIDENT INSURANCE BRANCH OF THE GOVERNMENT INSURANCE DEPARTMENT.

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1924.

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

Government Insurance Office, Wellington, 26th June, 1925.

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, 1924, together with the Revenue Account and Balance-sheet.

The year has been one of progress, as is evidenced by the following comparison with the previous year :—

	1923.	1924.
Income—		
Gross premiums	£35,560	£40,632
Premiums less reinsurances	£35,268	£39,614
Interest less land and income tax	£6,208	£7,192
Outgo—		
Claims	22,402	24,764
Ratio of claims to premiums (per cent.)	63·5	62·5
Ratio of management expenses to premiums (per cent.)	28·9	26·7
Ratio of management expenses to total income (per cent.)	24·5	22·6
Funds	£29,089	£38,538
Funds, including statutory Reserve Fund	£144,109	£153,558
Total assets	£177,889	£187,836

Probably the outstanding feature of the year's operations is the drop in the ratio of management expenses to premiums, from 28·9 per cent. to 26·7 per cent. The average ratio of expenses to premiums in the case of the Department's competitors in 1923 was approximately 38 per cent., and from these figures it can be seen how economically conducted has been the business of the Department.

As, owing to the transfer of the Accident Branch of this Department to the State Fire Department, this is the last report I shall be making, it may not be out of place to draw attention to the work achieved by the Government Insurance Department in creating the Accident organization, and in the face of strenuous opposition bringing the Accident Branch to its present strong position. The aim of the Department has never been to push, regardless of cost, for big business figures, but to render the greatest service to the assuring public by keeping expenses, and consequently premiums, down to the lowest possible level compatible with sound business principles. At the same time the Department has, by means of its actuarial staff, been able to base the business upon a scientific foundation; to preserve equity as between different industries in the country; to secure the free assent of the private companies to its pronouncements, and to give to Parliament and the State, on all matters regarding workers' compensation, advice the value of which may be measured by the great extent to which it has been accepted.

It may be added that the Department is able to recall with pride the scrupulousness with which it has observed the rules of fair trading in its competition with outside companies, and the sympathy and generosity with which it has always dealt with the claims of those workers unfortunate enough to meet with injury in the course of their avocation.

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