

1933.
NEW ZEALAND.

ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE.

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31ST DECEMBER, 1932.

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

State Fire Insurance Office, Wellington, 31st August, 1933.

I HAVE the honour to submit the thirty-second annual report of the Government Accident Insurance Office, for the year ended 31st December, 1932, together with the Revenue Account and Balance-sheet.

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

	1930.	1931.	1932.
	£	£	£
Income—			
Premiums from all classes of accident insurance	104,934	102,061	87,068
Interest	14,860	16,316	15,654
Outgo—			
Free-year bonus on personal accident policies	307	337	279
Claims	61,040	82,561	63,760
Working-expenses (exclusive of income-tax)	19,121	18,745	17,707
Carried to reserve for unearned premiums	10,611	..	..
Income-tax	4,036	7,249	7,183
Loss on realization of securities	146	..	..
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims (all classes of business) to premium income	58·17	80·89	73·23
Ratio of working-expenses (exclusive of income-tax) to premium income	18·22	18·37	20·34
Ratio of underwriting surplus to premium income	13·07	0·41	6·11
Surplus, apportioned as follows:—	£	£	£
Reserve for bad debts .. .. .	..	500	500
Investment Fluctuation Reserve	3,000	7,000	10,000
Payment to Treasury under Section 5, Finance Act, 1931 (No. 2)—10 per cent. reduction in salaries .. .. .	..	881	1,174
Reserve Fund	21,531	1,105	2,199
	£24,531	£9,486	£13,873
Reserves and funds as at 31st December	£303,448	£312,054	£324,753

1. A considerable fall in premium income is recorded in the above figures consequent mainly on lack of employment and greatly reduced wage returns. Some of the loss of income, however, is due to the lapsing of unprofitable workers' compensation risks which were accepted by the Office solely to assist certain employers who had found it difficult, if not impossible, to obtain insurance protection elsewhere. These employers have now been able to make other arrangements satisfactory to them.

2. The claim ratio shows an improvement over the previous year. The office working expense ratio of 20·34 per cent. (excluding taxes), although higher than for the previous year, compares very favourably with the average of competing offices, which in 1931, the last year for which figures are available, was 34·13 per cent. The working expenses of the State Accident Office include the cost of settling relief workers' claims for compensation, during the last three months of the year, on behalf of the Unemployment Board. This voluntary service, which involves time and expert supervision and some actual expenditure, has so far been performed without cost to the Unemployment Board.