

1936.  
NEW ZEALAND.

## ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1935.

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

State Fire Insurance Office, Wellington, 8th July, 1936.

I HAVE the honour to submit the thirty-fifth annual report of the Government Accident Insurance Office, for the year ended 31st December, 1935, together with the Revenue Account and Balance-sheet.

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

	1933.	1934.	1935.
<b>Income—</b>	£	£	£
Premiums from all classes of accident insurance .. .. .	80,207	84,727	97,766
Interest .. .. .	15,240	15,170	14,936
Premium on conversion of securities .. .. .	..	157	2,105
<b>Outgo—</b>			
Free-year bonus on personal accident policies .. .. .	272	255	231
Claims .. .. .	48,593	62,035	66,172
Working-expenses (exclusive of income-tax) .. .. .	16,865	17,962	20,330
Carried to reserve for unearned premiums .. .. .	..	..	1,662
Income-tax .. .. .	10,787	5,504	4,127
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims (all classes of business) to premium income	60·58	73·22	67·68
Ratio of working - expenses (exclusive of income - tax) to premium income .. .. .	21·03	21·2	20·8
Ratio of underwriting surplus to premium income .. .. .	18·05	5·28	9·58
<b>Surplus, apportioned as follows:—</b>	£	£	£
Investment Fluctuation Reserve .. .. .	15,000	..	..
Reinsurance Reserve .. .. .	..	10,000	10,000
Payment to Treasury under section 5, Finance Act, 1931 (No. 2)—10-per-cent. reduction in salaries .. .. .	1,174	293	..
Reserve Fund .. .. .	2,755	4,005	12,284
	<u>£18,929</u>	<u>£14,298</u>	<u>£22,284</u>
Reserves and funds as at 31st December .. .. .	£342,508	£356,513	£380,459

1. The income of the Accident Branch is derived from a number of different classes of insurance—the main classes being Workers' Compensation, Personal Accident, Public Risk, Motor Comprehensive, Third-party Risk Act, Plate Glass, and Fidelity Guarantee—and under each heading there has been an increase in income during the year. The aggregate premium income is greater than in any other year since 1931, and may be taken as reflecting a welcome return to more prosperous conditions.

2. During the year the State Accident Office introduced a new flat-rating system for private cars, which greatly simplified existing rating procedure, and reduced premiums. So far as can be ascertained, these reduced premiums are lower than in any other part of the Empire. One effect has been to increase substantially the share of motor-insurance business held by the State Accident Office.