1944
NEW ZEALAND

ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1943

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

State Fire Insurance Office, Wellington, 30th March, 1944.

I have the honour to submit the forty-third annual report of the Government Accident Insurance Office for the year ended 31st December, 1943, together with the Revenue Account and Balance-sheet.

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

	1941.		1942.		1943.	
	£	£	£	£	£	£
Income—						
Premiums from all classes of accident insurance	268,775		232,241		384,035	
Interest	19,771		22,364		22,588	
Profit on realization of securities	..		18		..	
		288,546		254,623		406,623
Outgo—						
Bonus and sums accrued under profit-sharing schemes	6,920		3,746		590	
Claims	134,208		122,826		193,816	
Working-expenses (exclusive of income-tax)	42,442		38,172		43,656	
Carried to reserve for unearned premiums	3,826		..		72,813	
Income-tax	65,087		68,930		54,597	
National and social security tax	12,784		13,797		10,720	
Loss on realization of securities	2,146		..		..	
		267,413		247,471		376,192
Surplus, apportioned as follows :—						
Bonus Reserve	..		..		30,000	
Reserve Fund	21,133		7,152		431	
		21,133		7,152		30,431
Total		288,546		254,623		406,623
Reserves and funds as at 31st December	579,925		587,077		690,321	
	Per Cent.		Per Cent.		Per Cent.	
Ratio of claims (all classes of business) to premium income	49·93		52·89		50·47	
Ratio of working-expenses (exclusive of income-tax) to premium income	15·79		16·43		11·37	
Ratio of underwriting surplus to premium income	5·66		0·21		6·18	

1. The premium income of £384,035 is by far the largest in the history of the Office, and is over £151,000 greater than for 1942. Every important section of accident business shows an increase, but the greatest increase was recorded under the heading of "Workers' Compensation Insurance," due largely to special insurances effected as a consequence of allied war activities within the Dominion.

In 1925, when the Accident Branch was combined with the State Fire Office, the premium income was £49,966.

2. After making full provision for outstanding claims, the loss ratio for the year (50·47 per cent.) is less than for 1942, and the working-expense ratio (11·37 per cent.) is the lowest since the Office was established, and probably constitutes a record in connection with general accident-insurance business in New Zealand.

3. The results for 1943 have warranted the Board in giving favourable consideration to the declaration of a bonus to policyholders during 1944 in accordance with the provisions of section 6 of the Government Accident Insurance Amendment Act, 1924. Accordingly £30,000 of the surplus for the year has been carried to a Bonus Reserve for distribution.

The Office continues to carry the increased liabilities under both the 1936 and the 1943 Amendments to the Workers' Compensation Act without increasing premium rates.

4. On retiring from the position of General Manager, which I have held since this Branch was combined with the State Fire Office in 1925, I desire to express my appreciation of the consistent loyalty and keen efficiency of the staff. As a Government Office the Accident Branch is called upon to investigate and advise regarding accident-insurance questions which hardly come under the notice of private insurance companies, and on occasions the Office is also called upon to devise means of extending insurance protection in cases where the risk has been regarded as uninsurable. That the Office has not unsuccessfully served the people of the Dominion in these and every other aspect of accident insurance, including low cost of premiums, is shown by the great support it receives from all sections of the community and the leading position it has attained in a severely competitive insurance field.

J. H. JERRAM, General Manager.

REVENUE ACCOUNT OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1943

	£ s. d.	£ s. d.	£ s. d.		£ s. d.
Premiums after deduction of reinsurances			384,035 8 0	Bonus and sums accrued under profit-sharing schemes	590 6 2
Interest (including interest on Reserve Fund investments)		22,588 2 6		Claims	193,815 17 1
Less—				Income-tax	41,546 0 10
Income-tax	13,051			National and social security tax	7,896 8 2
National and social security tax	2,824			Commission	8,222 10 9
		15,875 0 0		Salaries	25,522 15 0
			6,713 2 6	Contribution to Public Service Superannuation Fund	232 5 0
				Expenses of management	9,678 8 0
				Further appropriation to reserve for unearned premiums	72,813 5 9
					360,317 16 9
				Appropriation to Bonus Reserve	30,000 0 0
				Amount of Accident Funds, 31st December, 1943	430 13 9
			£390,748 10 6		£390,748 10 6

BALANCE-SHEET OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE AS ON THE 31ST DECEMBER, 1943

Liabilities	£ s. d.	*Assets*	£ s. d.
Accident Funds, as per Revenue Account	430 13 9	Government securities	405,968 0 0
Outstanding accident claims	154,062 0 0	Local-authority securities	162,576 2 11
Government taxes	147,534 9 0	Rural Advances bonds	4,725 0 0
Commission	937 11 0	Fixed deposits and at short call	97,620 0 0
Premium and other deposits	1,893 17 10	Interest accrued but not due	5,409 10 1
Sundry creditors	11,066 5 11	Agents' balances	70,843 1 6
Reinsurance premiums due	707 13 0	Sundry debtors, including Motor-vehicles Insurance (Third-party Risks) Act pool	204,208 6 3
Officers' Fidelity Fund	500 0 0	Cash in hand on current account	55,172 7 8
Reserve for unearned premiums	207,200 14 0		
Bonus Reserve	30,000 0 0		
Investment Fluctuation Reserve	70,000 0 0		
Reinsurance Reserve	56,000 0 0		
Bad Debts Reserve	1,000 0 0		
Reserve Fund constituted under section 6 of the Government Accident Insurance Amendment Act, 1924	325,189 3 11		
	£1,006,522 8 5		£1,006,522 8 5

31st May, 1944.

J. H. JERRAM, General Manager.
R. H. NEWBOLD, Deputy General Manager.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—CYRIL G. COLLINS, Controller and Auditor-General.

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