State Fire Insurance Office, Wellington, 30th March, 1948.

I have the honour to submit the forty-seventh annual report of the Government Accident Insurance Office for the year ended 31st December, 1947, together with the Revenue Account and Balance-sheet.

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

	1945.		1946.		1947.	
	£	£	£	£	£	£
Income—						
Premiums from all classes of accident insurance	335,690		341,304		420,028	
Interest	26,502		26,636		26,824	
Profit on realization of securities	1,825		..		1,002	
		364,017		367,940		447,854
Outgo—						
Bonus and sums accrued under profit-sharing schemes	14,791		18,672		24,623	
Claims	238,459		212,914		292,304	
Working-expenses (exclusive of income-tax)	61,346		70,918		81,905	
Carried to reserve for unearned premiums	..		..		27,813	
Income-tax	16,758		28,763		7,186	
National and social security tax	2,920		4,823		1,082	
		334,274		336,090		434,913
Surplus, apportioned as follows:—						
Reinsurance Reserve	..		..		10,000	
Bonus Reserve	10,000		10,000		..	
Reserve Fund	19,743		21,850		2,941	
		29,743		31,850		12,941
Total		364,017		367,940		447,854
Reserves and funds as at 31st December	705,195		737,045		777,800	
	Per Cent.		Per Cent.		Per Cent.	
Ratio of claims (all classes of business) to premium income	71·04		62·38		69·59	
Ratio of working-expenses (exclusive of income-tax) to premium income	18·27		20·78		19·5	
Ratio of underwriting surplus to premium income	5·77		5·12		1·57*	

* Deficit.

The premium income of £420,028 is the largest in the history of the Office and is £35,993 greater than for 1943, the previous best year. Compared with 1946, an increase of 7·21 per cent. in the claim ratio is shown. This is mainly on account of motor-car business, the loss rate for which continues to grow and is now on a high level. A reduction of 1·28 per cent. in the ratio of working-expenses to premium income has been effected.

I desire to record once again the excellent service rendered by the executive officers and staff during a period of acute staff shortage and rapidly increasing business.

R. H. Newbold, General Manager.