1927.
NEW ZEALAND.

# ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31ST DECEMBER, 1926.

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

State Fire Insurance Office, Wellington, 28th April, 1927.

I HAVE the honour to submit the twenty-sixth annual report of the Government Accident Insurance Office for the year ended 31st December, 1926, together with the Revenue Account and Balance-sheet.

The following comparison with the previous two years shows the progress made :—

| | 1924. | 1925. | 1926. |
|---|---|---|---|
| Income— | £ | £ | £ |
| Net premiums | 39,613 | 49,966 | 58,340 |
| Interest | 8,372 | 8,983 | 10,198 |
| Outgo— | | | |
| Claims | 24,764 | 30,552 | 33,854 |
| Ratio of claims to premiums (per cent.) | 62·5 | 61·15 | 58·03 |
| Ratio of working expenses to premuims (per cent.) | 26·7 | 26·6 | 26·3 |
| | £ | £ | £ |
| Reserves and funds at 31st December | 174,883 | 187,934 | 206,035 |
| Total assets at 31st December | 187,836 | 202,003 | 217,796 |
| Surplus for year | 9,449 | 8,390 | 14,332 |

*Income.*—The increase in premiums, £8,374, may, in view of the strenuous competition met with during the year, be considered very satisfactory. The income from interest shows an increase of £1,215 over that for the previous year.

*Claims.*—The Department's claim ratio over all classes of accident business shows a satisfactory fall from 61·15 per cent. in 1925 to 58·03 per cent. in 1926, but the ratio in workers' compensation business alone, although lower, has not fallen to the same extent.

*Legislation.*—During the year an amendment to the Workers' Compensation Act was passed, substantially increasing benefits to workers. With no consequential increase in the rates paid by employers the margin for working-expenses, &c., will be much narrower than ever before in this country, and even with the strictest economy in administration it may be doubted whether Workers' Compensation business as a whole will show an underwriting profit. As the amendment did not come into force until the 1st January, 1927, the figures reviewed in this report are not affected.

*Investigation of Experience.*—The result of the actuarial investigation into the claim experience was made available during the year, and the new rating schedule based thereon, which increases rates in certain occupations and reduces them in others, operates as from the beginning of 1927.

J. H. JERRAM, General Manager.