

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 premiums (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.

REVENUE ACCOUNT OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1926.

	£	s.	d.		£	s.	d.
Premiums after deduction of reinsurances	58,340	8	2	Free-year bonus on personal accident policies	149	6	3
Interest	10,198	10	1	Claims	33,854	7	2
Less land and income tax	1,068	13	7	Commission	6,113	13	0
	9,129	16	6	Salaries	7,235	0	0
				Contribution to Public Service Super-annuation Fund	165	0	0
				Expenses of management	1,852	0	9
				Further appropriation to reserve for unearned premiums	3,768	2	3
				Amount of accident funds, 31st December, 1926	14,332	15	3
	£67,470	4	8		£67,470	4	8

BALANCE-SHEET OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE ON 31ST DECEMBER, 1926.

<i>Liabilities.</i>	£	s.	d.	<i>Assets.</i>	£	s.	d.
Accident funds, as per Revenue Account	14,332	15	3	Debentures issued under authority of the Finance Act, 1915	10,000	0	0
Claims admitted (proofs not yet completed)	10,000	0	0	New Zealand inscribed stock—War loans	90,500	0	0
Government taxes	1,068	13	7	New Zealand inscribed stock	3,000	0	0
Commission	524	5	10	Local authority securities	78,503	5	6
Premium and other deposits	163	11	10	Mortgages on property	4,575	0	0
Sundry creditors	4	10	0	Fixed deposits and at short call	15,000	0	0
Officers' Fidelity Fund	500	0	0	Interest accrued but not due	2,890	17	3
Reserve for unearned premiums	26,253	3	8	Agents' balances	212	3	11
Investment Fluctuation Reserve	3,000	0	0	Sundry debtors	1,786	9	3
Reserve fund constituted under section 6 of the Government Accident Insurance Amendment Act, 1924	161,949	4	10	Cash in hand and on current account	11,328	9	1
	£217,796	5	0		£217,796	5	0

11th April, 1927.

J. H. JERRAM, General Manager.
C. B. REDWARD, Accountant.

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.—G. F. C. CAMPBELL, Controller and Auditor-General.

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