1935.

NEW ZEALAND.

# ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1934.

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

State Fire Insurance Office, Wellington, 1st August, 1935.

I have the honour to submit the thirty-fourth annual report of the Government Accident Insurance Office, for the year ended 31st December, 1934, together with the Revenue Account and Balance-sheet.

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

| | 1932. | 1933. | 1934. |
|---|---|---|---|
| | £ | £ | £ |
| Income— | | | |
| Premiums from all classes of accident insurance .. | 87,068 | 80,207 | 84,727 |
| Interest .. .. .. .. .. .. | 15,734 | 15,240 | 15,170 |
| Premium on conversion of securities .. .. .. | .. | .. | 157 |
| Outgo— | | | |
| Free-year bonus on personal accident policies .. .. | 279 | 272 | 255 |
| Claims .. .. .. .. .. .. | 63,760 | 48,593 | 62,035 |
| Working-expenses (exclusive of income-tax) .. .. | 17,707 | 16,865 | 17,962 |
| Carried to reserve for unearned premiums .. .. | .. | .. | .. |
| Income-tax .. .. .. .. .. .. | 7,183 | 10,787 | 5,504 |
| | Per Cent. | Per Cent. | Per Cent. |
| Ratio of claims (all classes of business) to premium income | 73·23 | 60·58 | 73·22 |
| Ratio of working-expenses (exclusive of income-tax) to premium income .. .. .. .. | 20·34 | 21·03 | 21·2 |
| Ratio of underwriting surplus to premium income .. | 6·11 | 18·05 | 5·28 |
| Surplus, apportioned as follows:— | £ | £ | £ |
| Reserve for bad debts .. .. .. .. | 500 | .. | .. |
| Investment Fluctuation Reserve .. .. .. | 10,000 | 15,000 | .. |
| Reinsurance Reserve .. .. .. .. | .. | .. | 10,000 |
| Payment to Treasury under section 5, Finance Act, 1931 (No. 2)—10 per cent. reduction in salaries.. .. | 1,174 | 1,174 | 293 |
| Reserve Fund .. .. .. .. .. | 2,199 | 2,755 | 4,005 |
| | £13,873 | £18,929 | £14,298 |
| Reserves and funds as at 31st December .. .. .. | £324,753 | £342,508 | £356,513 |

1. A gratifying increase in premium income is shown for the first time since 1930, mainly arising from workers' compensation premiums. The underwriting surplus is, however, less than for the previous year, due in part to the fact that the Office, which was established primarily to assist all classes in industry, does not refuse hazardous occupations, in which the claim cost is above average.

2. For the third successive year the Office has acted as claims-settling agent for the Unemployment Board. No charge has been made to the Board for the services rendered.

J. H. Jerram, General Manager.