1937.
NEW ZEALAND.

ACCIDENT INSURANCE BRANCH OF THE STATE FIRE INSURANCE OFFICE

(ANNUAL REPORT ON THE) FOR THE YEAR ENDED 31st DECEMBER, 1936.

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 July, 1937.

I HAVE the honour to submit the thirty-sixth annual report of the Government Accident Insurance Office for the year ended 31st December, 1936, together with the Revenue Account and Balance-sheet.

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

	1934.	1935.	1936.
Income—	£	£	£
Premiums from all classes of accident insurance	84,727	97,766	113,649
Interest	15,170	14,936	15,111
Premium on conversion of securities	157	2,105	..
Profit on realization of securities	..	..	1,012
Outgo—			
Free-year bonus on personal accident policies	255	231	286
Claims	62,035	66,172	76,471
Working-expenses (exclusive of income-tax)	17,962	20,330	23,156
Carried to reserve for unearned premiums	..	1,662	7,941
Income-tax	5,504	4,127	6,622
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims (all classes of business) to premium income	73·22	67·68	67·29
Ratio of working-expenses (exclusive of income-tax) to premium income	21·2	20·8	20·37
Ratio of underwriting surplus to premium income	5·28	9·58	5·1
Surplus, apportioned as follows:—	£	£	£
Reinsurance Reserve	10,000	10,000	10,000
Payment to Treasury under section 5, Finance Act, 1931 (No. 2)—10-per-cent. reduction in salaries	293	..	..
Reserve Fund	4,005	12,284	5,296
	£14,298	£22,284	£15,296
Reserves and funds as at 31st December	£356,513	£380,459	£403,697

1. The premium income of £113,649 is the largest ever recorded in the history of the Office. It is necessary to go back to 1930 for the previous record, when the income was £104,934. The increase reflects both a return to more prosperous conditions of employment and a growth of consciousness by industry and by the individual of the importance of insurance protection against accident. 4,395 accident claims (or an average of twelve a day), of which 3,060 were in the Workers' Compensation Branch, were dealt with, showing an increase of 928 above 1935. The total claim-cost (£76,471) was greater than in any previous year except 1931. The claim ratio to premiums of 67·29 per cent. is slightly lower than for the previous year (67·68 per cent.), but is unlikely to remain on such a favourable basis in future, for reasons referred to later in this report. The slight fall in working expense ratio despite the restoration of salary "cuts" is to be attributed to the large increase in income during the year.