3. In the field of comprehensive motor-vehicle insurance, the Office continues to offer a contract to the private-vehicle owner which is more liberal in the protection it affords than is obtainable elsewhere, and, in addition, the State Office maintains a tariff, initiated by the Office in 1935, that, on the whole, is lower than the charges of other insurers. These advantages bring a substantial flow of new business, the results from which, through careful administration, have been satisfactory so far.

4. Insurance under the Motor-vehicles Insurance (Third-party Risks) Act, 1928, resulted in heavy loss during the year under review, and certain increases in premiums have been necessitated and are to apply as from the beginning of the 1938–39 registration year.

Relief on the claims side will follow the amendment last session, by section 17 of the Statutes Amendment Act, 1937, of Part I of the Law Reform Act, 1936, abrogating the right of the estate of a deceased person to claim and recover damages for the deceased person's loss of "expectation of life," which liability during 1937 increased the burden of loss substantially.

5. A total of 5,346 claims were handled during the year, including fifty-four unidentified motorists claims, and, in addition, for the sixth year in succession the Office handled the settlement of all claims made on the Employment Division of the Labour Department without administrative cost to that Department.

6. It is a pleasure to record the highly efficient manner in which the Accident staff carried out its work during the year.

J. H. JERRAM, General Manager.

REVENUE ACCOUNT OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1937.

	£ s. d.	£ s. d.
Premiums after deduction of reinsurances		147,719 7 0
Interest	15,836 14 6	
Less land and income tax	5,416 15 0	
		10,419 19 6
Profit on realization of securities		131 14 1
		£158,271 0 7

	£ s. d.
Free-year bonus on personal accident policies	268 14 8
Claims	99,501 12 2
Commission	7,428 17 9
Salaries	16,697 4 1
Contribution to Public Service Superannuation Fund	197 15 11
Expenses of management	5,794 6 8
Further appropriation to reserve for unearned premiums	17,035 8 4
	146,923 19 7
Further appropriation to reinsurance reserve	10,000 0 0
Amount of Accident Funds, 31st December, 1937	1,347 1 0
	£158,271 0 7

BALANCE-SHEET OF THE ACCIDENT BRANCH OF THE STATE FIRE INSURANCE OFFICE AS ON THE 31ST DECEMBER, 1937.

Liabilities.	£ s. d.
Accident funds, as per Revenue Account	1,347 1 0
Outstanding accident claims	79,281 0 0
Government taxes	11,916 15 0
Commission	2,375 3 8
Premium and other deposits	649 18 1
Sundry creditors	86 5 2
Reinsurance premiums due	216 10 6
Officers' Fidelity Fund	500 0 0
Reserve for unearned premiums	73,859 13 6
Investment Fluctuation Reserve	41,000 0 0
Reinsurance Reserve	40,000 0 0
Bad Debts Reserve	1,000 0 0
Reserve Fund constituted under section 6 of the Government Accident Insurance Amendment Act, 1924	274,372 16 9
	£526,605 3 8

Assets.	£ s. d.
Government securities	202,494 17 1
Local-authority securities	184,955 8 11
Rural Advances bonds	14,425 0 0
Property under agreement for sale and purchase	3,980 0 0
Fixed deposits and at short call	12,620 0 0
Interest accrued but not due	3,921 10 2
Agents' balances	6,287 14 9
Sundry debtors, including Motor-vehicles Insurance (Third-party Risks) Act pool	91,796 4 1
Cash in hand on current account	6,124 8 8
	£526,605 3 8

27th May, 1938.

J. H. JERRAM, General Manager.
L. H. OSBORN, Deputy General Manager.

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.—J. H. FOWLER, Controller and Auditor-General.

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