5. MOTOR-VEHICLES INSURANCE (THIRD-PARTY RISKS) ACT, 1928.

A. STATISTICS.

The Motor-vehicles Insurance (Third-party Risks) Act passed in 1928 compels every owner of a motor-vehicle to insure against liability to pay damages on account of the death or injury to another person caused through the use of a motor-vehicle.

Payment of the insurance premiums is made annually to the Deputy Registrars of Motor-vehicles simultaneously with that of the annual license fee payable under the Motor-vehicles Act. Owners of motor-vehicles are required to nominate each year the insurance company with which the contract of insurance is to be made.

For the year ended 31st May, 1938, forty-one insurance concerns gave the prescribed notice to undertake business under the Act, and carried on business accordingly. The following table shows the experience of the scheme during the nine years ended 31st May, 1938. The figures for claims do not represent the amount paid during each year, but refer to accidents happening during each particular period.

Year ended 31st May,	Revenue from Premiums.	Claims paid and Estimated Liability for Claims outstanding at 31st May.	Claim Ratio.
	£	£	Per Cent.
1930	235,007	202,380	86·12
1931	242,864	186,379	76·74
1932	233,731	161,217	68·98
1933	229,133	137,013	59·80
1934	221,734	166,648	75·15
1935	211,709	230,626	108·93
1936	230,696	264,700	114·73
1937	257,559	331,134	128·56
1938	289,891	432,352	149·14
Totals	2,152,324	2,112,449	98·14

B. ANNUAL REVIEW OF PREMIUM RATES.

Section 16 of the Act provides that the amount of the premiums to be paid in respect of third-party insurance may be fixed from time to time by Order in Council.

In accordance with the usual practice, the financial operations of the companies undertaking this class of insurance were carefully examined, and it was decided to make the following alterations to the premiums for the year 1939–40.

Class.	Old Premiums.	New Premiums.
Increases—	£ s. d.	£ s. d.
Class 4	1 0 0	1 6 0
Class 5	2 8 0	2 13 0
Class 6	1 10 0	1 18 0
Class 8A—		
Class 8A: Public motor-cabs	7 10 0	10 0 0
Class 8AB: Private motor-cabs	..	7 10 0
Class 8D—		
Up to ten seats (including driver)	2 5 0	3 0 0
For every seat in excess of ten	0 2 0	0 2 0
Maximum premium payable	4 0 0	4 12 0
Decreases—		
Class 8B—		
Up to ten seats (including driver)	6 0 0	6 0 0
For every seat in excess of ten	0 2 6	0 2 0
Maximum premium payable	8 0 0	7 12 0
Class 8C—		
Up to seven seats (including driver)	6 0 0	6 0 0
For every seat in excess of seven	0 7 6	0 4 0
Maximum premium payable	9 7 6	7 16 0