

1940.  
NEW ZEALAND.

# STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1939.

*Presented to both Houses of the General Assembly pursuant to the Provisions of the State Fire Insurance Act, 1908.*

State Fire Insurance Office, Wellington, 29th March, 1940.

I HAVE the honour to submit the thirty-fifth annual report of the State Fire Insurance Office, for the year ended 31st December, 1939, with the Revenue Account and Balance-sheet.

The following are the comparative figures for the last three years :—

Income—	1937.		1938.		1939.	
	£	£	£	£	£	£
Premiums .. .. .	175,726		193,501		205,539	
Other receipts, less land-tax .. .. .	47,724		46,099		50,743	
	<u>223,450</u>		<u>239,600</u>		<u>256,282</u>	
Outgo—						
Bonus rebate to policyholders .. .. .	33,379		37,747		37,201	
Claims .. .. .	34,795		30,839		39,443	
Working-expenses (exclusive of income-tax and Fire Board contributions) .. .. .	53,781		58,657		58,232	
Fire Board contributions .. .. .	9,602		10,492		11,365	
Income-tax .. .. .	35,454		32,288		51,273	
	<u>167,011</u>		<u>170,023</u>		<u>197,514</u>	
Carried to reserve for unearned premiums .. .. .	..		..		..	
Surplus, apportioned as follows :—						
Written off Office premises .. .. .	26,000		23,000		28,000	
Reserve Fund .. .. .	439		577		768	
Bonus Rebate Reserve .. .. .	..		..		..	
Reinsurance Reserve .. .. .	30,000		30,000		20,000	
Investments Fluctuation Reserve .. .. .	..		16,000		10,000	
	<u>56,439</u>		<u>69,577</u>		<u>58,768</u>	
Total .. .. .	<u>223,450</u>		<u>239,600</u>		<u>256,282</u>	
Reserves and funds at 31st December .. .. .	1,113,830		1,160,407		1,191,175	
	Per Cent.		Per Cent.		Per Cent.	
Ratio of claims to premium income .. .. .	19·8		15·94		19·19	
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income .. .. .	30·61		30·32		28·33	
Ratio of Fire Board contributions to premium income .. .. .	5·46		5·42		5·53	
Ratio of income-tax to premium income .. .. .	20·18		16·68		24·95	

1. The figures speak for themselves, and indicate that the operations of the Office during 1939 were highly successful. Despite some enforced relaxation of normal competitive activity since the outbreak of war due to shortage of trained staff, the increase in new business has continued to be very satisfactory.

2. The graduated system of bonuses to policyholders who have been insured with the Office for one year and over was continued during the year, with further substantial benefit to our insured. Since the bonus system was adopted in 1923, the total sum rebated to insured is £551,375. This, of course, is in addition to reductions in rates instituted and brought about by the Office, to which reference has been made in previous reports.

3. The Office has but one objective—viz., service to its policyholders and to the Dominion—and each year brings increasing practical recognition by the public of the national value of its work in the highly competitive field of fire and accident insurance.

4. I desire to record once again the excellent service rendered by the executive officers and the staff generally.

J. H. JERRAM, General Manager.

## REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1939.

	£	s.	d.		£	s.	d.
Premiums after deduction of reinsurances ..	205,539	10	5	Bonus rebate to policyholders .. ..	37,290	13	5
Other receipts—	£	s.	d.	Losses by fire and earthquake (after deduction of reinsurances) .. ..	39,443	7	6
Interest, commission, and rent ..	52,934	8	11	Income-tax .. ..	51,273	1	10
Less land-tax .. ..	2,191	14	2	Commission .. ..	10,663	5	6
	50,742	14	9	Salaries .. ..	31,798	11	11
				Contributions to Public Service Superannuation Fund .. ..	104	14	6
				Contributions to Fire Boards under the Fire Brigades Act, 1908 .. ..	11,364	12	4
				Expenses of management .. ..	£	s.	d.
				Travelling-expenses .. ..	2,088	17	0
				Printing, stationery, and advertising .. ..	1,311	17	11
				Rent .. ..	1,470	2	0
				Exchange .. ..	50	3	5
				Postages, telegrams, cablegrams, and sundry charges .. ..	3,434	7	0
					8,355	7	4
				Office equipment .. ..	3,129	7	7
				Office premises: Depreciation .. ..	3,880	17	2
					197,513	19	1
				Investments Fluctuation Reserve .. ..	10,000	0	0
				Reinsurance Reserve .. ..	20,000	0	0
				Office premises: Written off .. ..	28,000	0	0
				Amount of fire-insurance funds at end of year ..	768	6	1
					£256,282	5	2
	£256,282	5	2				

## BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1939.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	£	s. d.		£	s.	d.
Capital authorized by the State Fire Insurance Act, 1908 .. ..	100,000			Government securities .. ..	642,189	12	0
Less not raised .. ..	100,000			Local-authority securities .. ..	257,879	15	2
			Nil.	Rural Advances bonds .. ..	11,175	0	0
Bad Debts Reserve .. ..		1,500	0 0	Fixed deposits and at short call .. ..	130,000	0	0
Reserve Fund .. ..		747,160	10 3	Land and buildings .. ..	165,573	19	11
Investments Fluctuation Reserve Fund ..		85,000	0 0	Outstanding premiums .. ..	10,891	13	3
Reserve for unearned premiums .. ..		104,246	9 11	Interest accrued but not due .. ..	10,482	2	10
Bonus Rebate Reserve .. ..		112,500	0 0	Rent accrued or due .. ..	4,190	15	2
Reinsurance Reserve Fund .. ..		140,000	0 0	Rent overdue .. ..	438	0	0
Premium and other deposits .. ..		1,059	11 9	Cash in Reserve Bank of New Zealand at Wellington, or in transit to Wellington ..	96,376	18	0
Outstanding fire and earthquake losses ..		4,459	0 0	Imprest Account balances: Head Office and Branches .. ..	1,344	19	9
Government taxes .. ..		83,848	16 10				
Sundry creditors .. ..		35,684	0 5		97,721	18	6
Other amounts owing by the Office—	£	s.	d.				
Reinsurance premiums due ..	12,268	3	8				
Commission .. ..	2,174	14	0				
Printing, stationery, and advertising .. ..		38	12 10				
Postages and sundry charges .. ..	2,534	12	1				
		17,046	2 7				
Fire-insurance funds, as per Revenue Account ..		768	6 1				
		£1,333,242	17 10		£1,333,242	17 10	

6th June, 1940.

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.—C. G. COLLINS, Controller and Auditor-General.

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