

1908.
NEW ZEALAND.

STATE FIRE INSURANCE OFFICE:

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1907.

Presented to both Houses of the General Assembly pursuant to the provisions of the Act relating to Government Fire Insurance.

IN compliance with statutory provisions, I have the honour to submit the following report for the year ended 31st December, 1907.

The year 1907 is the third financial year of the State Fire Insurance Office. The net income for the three years since the inauguration of the Department is as follows: 1905, £13,127 11s. 9d.; 1906, £20,962 8s.; 1907, £23,194 13s. It is therefore pleasant to be able to show that the insuring public has given the State Fire Insurance Office an increasing support each year.

The rates of premium during the whole of 1907 were the same as those which prevailed at the end of 1906.

That the rates of premium for fire insurance in New Zealand are too low is shown by the fact that the results attained by the State Fire Insurance Office on its operations during the past three years show a profit result of only £1,566 17s. 5d., after writing off £1,902 15s. and reserving £7,731 11s. for unearned premiums. The insuring public, however, have reaped the benefit of the reduced rates, seeing same approximately amount to £450,000 for the past three years.

The Revenue Account and Balance Sheet attached hereto show that after writing off £634 5s., being the third quarter of the preliminary expenses, and reserving an additional £744 1s. 8d. for unearned premiums, the Profit and Loss Account shows a credit balance of £867 7s. 1d., which I consider a very satisfactory result, seeing that same has been attained free of cost to the public, in the face of strong and active competitive opposition, and at rates which have during the whole period been the lowest in the world for similar risks.

In further support of my views respecting the inadequacy of the present rates of premium, I beg to point out that the State Fire Insurance Office now has to pay its *pro rata* share of the insurance companies' contributions towards the purchase and maintenance of fire brigades wherever same are established and operating under "The Fire Brigades Act, 1907," and this additional charge will range from 5 per cent. to 7½ per cent. of the premiums received at each centre where a fire brigade working under the Act is in operation.

J. W. BRINDLEY,
General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED
31ST DECEMBER, 1907.

	£	s.	d.		£	s.	d.
Amount of Fire Insurance Funds at the beginning of the year	699	10	4	Losses by fire (after deduction of reinsurances)	12,701	8	9
Premiums after deduction of reinsurances	23,194	13	0	Appropriated to Reserve for unearned premiums (in addition to £6,987 9s. 4d. already reserved)	744	1	8
Other receipts—				Interest on Capital guaranteed by the Government	72	10	0
Interest	107	14	4	Commissions	2,122	13	0
				Salaries	3,702	2	4
				Contributions to Fire Boards under "The Fire Brigades Act, 1907"	223	3	1
				Expenses of Management—	£	s.	d.
				Travelling-expenses	234	12	10
				Printing, stationery, and advertising	376	11	2
				Rent	635	1	8
				Exchange	10	18	8
				Postages and telegrams, cablegrams, and sundry charges	899	19	4
				Furniture written off	77	12	9
					2,234	16	5
				Preliminary Expenses written off	634	5	0
				Amount of Fire Insurance funds at end of year	1,566	17	5
					£24,001	17	8
					£24,001	17	8

30th May, 1908.

J. W. BRINDLEY,
General Manager.

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1907.

<i>Liabilities.</i>						<i>Assets.</i>								
Capital authorised by "The State Fire Insurance Act, 1908"	£	s.	d.	£	s.	d.	Investments— Government 4-per-cent. Debentures	£	s.	d.	£	s.	d.	
Act, 1908"	..	100,000	0	0			Agents' Balances—	10,000	0	0	
Less not raised	..	98,000	0	0			Head Office	..	142	2	1			
				2,000	0	0	Christchurch	..	48	11	1			
Reserve for unearned premiums	..			7,731	11	0	Dunedin	..	25	0	9			
Fire Insurance Funds, as per Revenue Account	..			1,566	17	5						215	13	11
Premiums and other deposits	..			101	18	7	Outstanding Premiums	..				761	16	11
Outstanding Fire Losses	..			1,080	0	0	Interest accrued but not due	..				67	18	11
Other sums owing by the office—	£	s.	d.				Cash	..				466	3	9
Interest on Capital	..	48	6	8			Cash in bank in transit	..				2,313	4	11
Reinsurance premiums due	..	2,419	7	5			Preliminary Expenses	..				684	5	3
Contributions to Fire Boards under "The Fire Brigades Act, 1907"	..						Office Furniture	..				626	3	3
				137	5	10								
						2,604	19	11						
						£15,085	6	11						
												£15,085	6	11

30th May, 1908.

J. W. BRINDLEY,
General Manager

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.

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