

SESSION I.
1912.
NEW ZEALAND.

THE STATE FIRE INSURANCE OFFICE:

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDING
31st DECEMBER, 1911.

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

State Fire Insurance Office, Wellington, 26th February, 1912.

I HAVE the honour to submit the following report on, and Revenue Account and balance-sheet of, the State Fire Insurance Office for the year ending 31st December, 1911.

The year under review has been one of the most successful yet experienced by the office, the profits being with one exception (1910) the largest of any year since the office commenced business, and the ratio of working-expenses is the lowest on record. New business is but a trifle less than the previous year, which showed the greatest advance since 1906.

The net premium income, after deducting reinsurances, amounted to £47,744 11s., as against £40,551 15s. 2d. for the previous year, showing the very substantial increase of £7,192 15s. 10d. The increase for 1910 was £7,270 0s. 7d.

The profits for the year, after appropriating a further sum of £2,877 2s. 4d. to reserve for unearned premiums, amounted to £5,391 9s. 11d., as against £8,487 13s. for 1910 and £2,698 13s. 7d. for 1909.

The net losses for the year amounted to £27,536 11s. 7d., as against £18,913 18s. 4d. for 1910, the ratio of loss to premium income being 57·67 per cent. for 1911, and 46·64 per cent. for 1910. As stated in my report for 1910, the ratio of loss for that year was greatly below the average to be expected. During the past year the office was not as fortunate in avoiding losses from bush-fires and city blocks as was the case in 1910.

In my last report I was able to show a very substantial reduction in the ratio of working-expenses. I am glad to be able to say that the balance-sheet now presented shows a further reduction. The ratio of expenses for 1911 is 27·5 per cent., for 1910 was 28·3 per cent., and for 1909 was 30·5 per cent. The reduction of 3 per cent. in two years represents a saving on the 1911 business of £1,432 as compared with 1909. Included in these expenses is a sum of £801 5s. 7d., being the amount contributed to the funds of Fire Boards under the Fire Brigades Act.

It will be noticed from the balance-sheet that the investments of the office now amount to £25,000, as compared with £20,000 in 1910 and £10,000 in 1909. The reserves for unearned premiums amount to £19,097 16s. 5d., as against £16,220 14s. 1d. for 1910.

During the year an Inspector has been appointed, whose duty it is, amongst other things, to personally inspect all properties on which this office has issued policies of insurance. The work already accomplished by this officer has shown very clearly the necessity for the appointment in order to safeguard the interests of the office.

In comparison with other countries, this Dominion does not hold an enviable position in connection with its fire-loss ratio. There are many natural features which contribute to a high loss ratio, but it seems to me that one of the worst contributing agencies is overinsurance. If some means could be found whereby overinsurance could be prevented or greatly minimized, a great saving in national wealth would in my opinion result. That a means can be found to greatly reduce the evil there is little doubt, but it requires the honest co-operation of all fire underwriters to put any such means successfully into operation.

C. R. C. ROBIESON,
General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED
31ST DECEMBER, 1911.

	£	s.	d.		£	s.	d.
Amount of Fire Insurance funds at the beginning of the year	7,046	3	6	Losses by fire (after deduction of reinsurance)	27,536	11	7
Premiums after deduction of reinsurances	47,744	11	0	Appropriated to reserve for unearned premiums (in addition to £16,220 14s. 1d. already reserved)	2,877	2	4
Other receipts—Interest and commission	1,186	13	10	Interest on capital raised, guaranteed by Government	72	10	0
				Commission	3,815	10	5
				Salaries	5,735	14	4
				Contributions to Fire Boards under the Fire Brigades Act, 1908	801	5	7
				Expenses of management—			
				Travelling-expenses	364	19	10
				Printing, stationery, and advertising	571	10	6
				Rent	684	14	2
				Exchange	30	17	11
				Postages and telegrams, cablegrams, and sundry charges	928	14	11
				Office equipment written off	120	3	4
					2,701	0	8
				Amount of fire-insurance funds at end of year	12,437	13	5
	<u>£55,977</u>	<u>8</u>	<u>4</u>		<u>£55,977</u>	<u>8</u>	<u>4</u>

15th February, 1912.

C. R. C. ROBIESON,
General Manager.

Examined and found correct.—R. J. COLLINS, Controller and Auditor-General.

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1911.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Capital authorized by the State Fire Insurance Act, 1908	100,000	0	0	Investments — Government debentures and Consols	25,000	0	0
Less not raised	98,000	0	0	Outstanding premiums	3,194	17	5
				Interest accrued but not due	415	18	7
				Cash in Bank of New Zealand at Wellington, or in transit to Wellington	9,094	5	1
Reserve for unearned premiums	19,097	16	5	Imprest Account balances—			
Premiums and other deposits	297	7	9	Head Office	212	6	3
Outstanding fire losses	1,512	0	0	Auckland	41	10	3
Other amounts owing by the office—				Christchurch	159	16	11
Interest on capital	48	6	8	Dunedin	18	8	0
Reinsurance premiums due	2,329	5	7	Palmerston			
Commission	750	5	11	North	47	16	4
Rent	204	8	11	New Plymouth	49	16	5
Printing, stationery, and advertising	2	18	6		529	14	2
Postages and sundry charges	28	1	11		9,623	19	3
				Office equipment	473	9	10
Fire-insurance funds, as per Revenue Account							
	<u>£38,708</u>	<u>5</u>	<u>1</u>		<u>£38,708</u>	<u>5</u>	<u>1</u>

15th February 1912.

C. R. C. ROBIESON,
General Manager.

Examined and found correct.—R. J. COLLINS, Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given; printing (2,000 copies), £2.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1912.

Price 3d.]