

Owing to the Office having outgrown its present accommodation, and recognizing the immediate necessity for providing suitable office space for its present and future requirements, the State Fire Insurance Board, early in 1915, on my recommendation, determined that the best course to pursue was to provide a permanent home for the Office by the purchase of a suitable area of land and the erection of its own building, ample Office funds being available for this purpose. After very careful and exhaustive inquiry the Board, with the consent of the Government, purchased a section of land having a frontage of 104 ft. 6 in. to Lambton Quay and 83 ft. 10 in. to Waring Taylor Street, at a cost of £25,500. The price paid is undoubtedly not beyond the present value of the land, and the site being one of the finest in the City of Wellington, there is every reason to believe that it has a considerably enhanced prospective value.

An excellent design has been secured for the proposed building, and plans and specifications are being prepared. The building when completed will be of handsome appearance, earthquake and fire resisting to the highest possible extent, and in all respects one of the most modern and up to date in the Dominion. Apart from the present requirements of this Office, there will be a large amount of space available which it is estimated will let at rates which will provide a very satisfactory return for the money expended, thereby securing a profitable investment for a considerable portion of the accumulated funds of the Office.

The work of the Office during 1915 has been carried on under great difficulties owing to some 30 per cent. of our male permanent staff and a number of our agents having gone to the front. It is very creditable to the other members of the staff, many of whom have worked very long hours, that the year's work has been so successfully conducted. The special incentive to extra effort afforded by the bonus-on-profits system, installed some three years ago, continues to make for most excellent results, and I am firmly of the opinion that the amount expended on this system is a splendid investment for the policyholders and is in the best interests of the Office generally.

Following are the particulars of profits, net income, losses, working-expenses, and reserve funds for 1915 as compared with the year 1914.

*Profits.* The net profits, after appropriating a further sum of £2,608 0s. 10d. to unearned premiums reserve, and a further sum of £1,000 to investment fluctuation reserve, amounted to £25,652 19s. 4d., as compared with £18,660 1s. 2d. for 1914. The total accumulated profits at the close of 1915 amounted to £86,217 16s. 10d., as against £60,564 17s. 6d. for 1914.

*Net Income.* The net income from all sources amounted to £76,299 11s. 8d., as against £67,693 7s. 11d. for 1914, showing an increase of £8,606 3s. 9d. The net premium income was £71,165 18s. 2d., as against £64,645 16s. 2d. for 1914, an increase of £6,520 2s. The increase for 1914 over 1913 was £5,228 5s.

*Losses.* The net losses were £27,476 10s. 5d., as compared with £28,109 17s. 5d. for 1914, the ratio to premium income being 38·6 per cent. and 43·5 per cent. respectively.

*Working-expenses.* The ratio of working-expenses to premium income for 1915 was 27·5 per cent., being exactly the same as for 1914.

*Reserve Funds.* The reserve funds at close of 1915 amounted to £116,684 4s. 2d., and for 1914 £87,123 1s., showing the very substantial increase of £29,261 0s. 2d.

C. R. C. ROBIESON,  
General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED  
31ST DECEMBER, 1915.

	£	s.	d.		£	s.	d.
Premiums after deduction of reinsurances	71,165	18	2	Losses by fire (after deduction of reinsurances)	27,476	10	5
Other receipts—Interest, commission, and rent	5,133	13	6	Appropriated to reserve for unearned premiums (in addition to £25,858 6s. 6d. already reserved)	2,608	0	10
				Investments Fluctuation Reserve Fund	1,000	0	0
				Commission	6,548	16	9
				Salaries	7,762	7	0
				Contributions to Fire Boards under the Fire Brigades Act, 1908	1,321	1	5
				Expenses of management—			
				Travelling-expenses	383	7	8
				Printing, stationery, and advertising	814	15	9
				Rent	1,001	12	1
				Exchange	17	14	0
				Postages, telegrams, cable-grams, and sundry charges	1,365	5	10
				Office equipment written off	347	0	7
					3,929	15	11
				Profit for the year appropriated to Reserve Fund	25,652	19	4
	£76,299	11	8		£76,299	11	8

17th February, 1916.

C. R. C. ROBIESON,  
General Manager.

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