### 1919. ZEALAND. NEW

#### INSURANCE STATE FIRE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1918.

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

State Fire Insurance Office, Wellington, 30th June, 1919.

I HAVE the honour to present the fourteenth Annual Report of the State Fire Insurance Office together

with Revenue Account and Balance-sheet for the year ended 31st December, 1918.

The Revenue Account shows that the year 1918 has been the most successful yet experienced by the Office. The income shows the same steady progress that has characterized former years. This progress, I think, must be considered satisfactory, especially in view of the very serious staff difficulties existing owing to the large proportion of staff on active service. These difficulties are a little less acute only now. Many of the officers who have returned are, unfortunately, still suffering from impaired health due to active service, and it will be some considerable time before the Office will gain the full value of their services. I am pleased to be able to say that I find an excellent spirit prevailing among those officers who have returned. They are as keenly anxious to take up their civil duties and

to give of their best as they were to "do their bit" in defence of the Empire.

After deducting a sum of £13,792 14s. 6d. for income-tax the surplus for the year amounted to £31,374 15s. 9d. This sum is allocated as follows: Uncarned Premium Reserve, £1,902 8s. 4d.; Investment Fluctuation Reserve, £1,000; leaving a net profit of £28,472 7s. 5d., compared with a net profit of £22,601 9s. 3d. for 1917. The net income amounted to £99,458 19s. 4d., showing an net profit of £22,601 9s. 3d. for 1917. increase of £8,078 6s. 4d. for the year.

The total sum assured for the year amounted to £24,000,000 —an increase of £2,000,000 over 1917. The assets of the Office at the close of the year amounted to £244,927, as compared with £208,220 at the close of 1917.

Investments total £199,480, as against £152,608 for 1917. Of the total investment £100,000 is in war loans.

The loss ratio was 33.2 per cent., an increase of 1.2 per cent. over 1917. The Office is fortunate in again being able to show a loss ratio far below the average for the Dominion.

Following are the particulars of profits, net income, losses, working-expenses, and funds for 1918, as compared with the year 1917

Profits.—The net surplus (inclusive of income-tax charges), after appropriating a further sum of £1,902 8s. 4d. to Unearned Premiums Reserve, and a further sum of £1,000 to Investment Fluctuation Reserve, amounted to £42,265 1s. 11d., as compared with £36,525 8s. 9d. for 1917. The total accumulated profits at the close of 1918 amounted to £172,988 19s., as against £144,516 11s. 7d. for 1917.

Net Income.—The net income from all sources amounted to £99,458–19s. 4d., as against £91,380–13s. for 1917, showing an increase of £8,078–6s. 4d. The net premium income was £90,077–7s. 11d., as against £85,321 7s. for 1917, an increase of £4,756 0s. 11d.

Losses.—The net losses were £29 871 13s. 4d, as compared with £27 302 4s. 11d. for 1917, the ratio to premium income being 33.2 per cent. and 32 per cent. respectively.

Working-expenses.—The ratio of working-expenses to premium income, exclusive of income-tax, for 1917 was 27.5 per cent., and 27.1 per cent. for 1918.

Accumulated Funds.—The funds at close of 1918 amounted to £214,019 18s. 2d., and for 1917 £182,645 2s. 5d., showing the very substantial increase of £31,374 15s. 9d

The following summary of the first and second septennial periods in the life of the Office gives a clear and concise indication of the relative progress and success of the two periods:—

					First Seven Years.	Second Seven Years. £
Total net income					 209,095	535,122
Total net losses					 109,320	187,744
Total profits					 12,437	160,551*
Averages per annum:						
Net income					 29,871	76,446
Net losses.					 15,617	26,821
Profits					 1,777	22,936*
Ratio of working-	expens	es to prei	niums (p	er cent.)	 33.20	27.29†
Ratio of losses to					 $53 \cdot 19$	37.35

#### WAR-RISK AND MARINE INSURANCE.

It may be here stated that the Office during the war period administered the War Risk Insurance Act, 1914, and also acted for the Imperial War Risks Office. War-risk insurances, mostly in small amounts, to a total of £1,436,445 were effected on behalf of shippers, at rates considerably below those at which cover could have been obtained locally, and the operations of the State Fire Office no doubt also exercised a restraining influence on the rates charged by the private insurance offices to shippers who did not directly avail themselves of this Office's activities.

The premiums under the New Zealand war-risk scheme amounted to £1,199 7s. 9d., and there were no losses. Both the premiums received on behalf of the Imperial War Risks Office and those received in connection with the local scheme were lodged direct to the credit of the Public Account; therefore none of the figures appear in the State Fire accounts.

In addition to operating the war-risk insurance schemes, the Office during the period of the war also acted in an advisory capacity regarding marine insurance; and on behalf of the Board of Trade, the Imperial Supplies Department, and the Munitions and Supplies Department effected marine insurances on the best available terms to a total of £1,284,167 on wheat, scheelite, foodstuffs, and military supplies of every description.

C. R. C. Robieson,

General Manager.

# REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED

	SIST	ועג '	ECEM	IBER, 1918.			
Premiums after deduction of reinsurances	£ 90,077	s. 7		Losses by fire (after deduction of reinsur-	£	8.	d.
Other receipts-Interest, commission, and				ances)	29,871	13	4
rent	9,381	11	5	Appropriated to reserve for unearned pre-			
				miums (in addition to £34,128 10s. 10d.		_	
			j	already reserved)	1,902		
				Investments Fluctuation Reserve Fund	1,000	0	0
				Government taxes	13,792		$\frac{6}{9}$
				0.1.1.	7,616 $8,889$		-
				War bonus to staff on salaries under £315	655		10
				Contributions to Fire Boards under the	000	U	•
				Fire Brigades Act, 1908	1,818	18	5
				Expenses of management— £ s. d.	-,		•
			- 1	Travelling-expenses 859 17 0			
				Printing, stationery, and			
				advertising 1,181 11 5			
				Rent 1,157 2 6			
				Exchange 24 4 6			
				Postages, telegrams, cable-			
				grams, and sundry			
				charges			
			1	Office buildings and equip- ment written off 651 7 3			
				ment written off 651 7 3	5,439	19	Q
			1	Amount of fire-insurance funds at end of	υ, τυθ	14	G
				year	28,472	7	5
				<i>y</i>			
	£99,458	19	4		£99,458	19	4
			<del>-</del>				==
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3rd March, 1919.

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, 1918.

Liabilities.		- 1	Assets. £ s. d.
${f \pounds}$ s. d.	£ s.	d.	Government war bonds and stock 100,000 0 0
Capital authorized by the		j	Government debentures and Consols 68,196 6 6
State Fire Insurance		Ì	Municipal Corporation loans 500 0 0
Act, 1908 100,000 0 0			Mortgages on property 2,850 0 0
Less not raised 100,000 0 0	,		Freehold land and buildings 27,933 13 5
	Nil.		Outstanding premiums 7,172 5 2
Reserve Fund 13	36,516 11	7	Interest accrued but not due 1,469 14 9
Reserve for bonus to policyholders	8,000 0	0	Rent accrued but not due 79 12 g
Investment Fluctuation Reserve Fund	5,000 0		Cash in Bank of New Zea-
	36,030 19	-	land at Wellington, or £ s. d.
Premiums and other deposits	486 7	ī	in transit to Wellington 36,436 14 3
Outstanding fire losses	2,390 0	0	Imprest Account balances—
	13,792 14		£ s. d.
Other amounts owing by the Office-	,		Head Office 16 2 1
Reinsurance premiums £ s. d.			Auckland 63 12 10
due 12,329 5 7		ļ	Christchurch 87 18 0
Commission 1,374 7 7			Dunedin 89 12 1
Rent 40 2 11			Palmerston
Printing, stationery,			North 30 6 5
and advertising 17 4 8			New Ply-
Postages and sundry			mouth 2 1 0
charges 477 18 8		i	289 12 5
	14,238 19	5	36,726 6 8
Fire - insurance funds, as per Revenue	14,200 10		90,120 0 0
	28,472 7	5	
Account	20, 112		
£9.4	44,927 19	2	£244,927192
	xx,021 10		2211, 321 10 Z
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3rd March, 1919.

C. R. C. Robieson, General Manager.

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

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