

1919.  
NEW ZEALAND.

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# STATE FIRE INSURANCE OFFICE.

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

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

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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: Unearned 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 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.



## BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1918.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Capital authorized by the State Fire Insurance Act, 1908 ..	100,000	0	0	Government war bonds and stock ..	100,000	0	0
Less not raised ..	100,000	0	0	Government debentures and Consols ..	68,196	6	6
			Nil.	Municipal Corporation loans ..	500	0	0
Reserve Fund ..			136,516 11 7	Mortgages on property ..	2,850	0	0
Reserve for bonus to policyholders ..			8,000 0 0	Freehold land and buildings ..	27,933	13	5
Investment Fluctuation Reserve Fund ..			5,000 0 0	Outstanding premiums ..	7,172	5	2
Reserve for unearned premiums ..			36,030 19 2	Interest accrued but not due ..	1,469	14	9
Premiums and other deposits ..			486 7 1	Rent accrued but not due ..	79	12	8
Outstanding fire losses ..			2,390 0 0	Cash in Bank of New Zealand at Wellington, or in transit to Wellington ..	36,436	14	3
Government taxes ..			13,792 14 6	Imprest Account balances—			
Other amounts owing by the Office—					£	s.	d.
Reinsurance premiums due ..	12,329	5	7	Head Office ..	16	2	1
Commission ..	1,374	7	7	Auckland ..	63	12	10
Rent ..	40	2	11	Christchurch ..	87	18	0
Printing, stationery, and advertising ..	17	4	8	Dunedin ..	89	12	1
Postages and sundry charges ..	477	18	8	Palmerston North ..	30	6	5
			14,238 19 5	New Plymouth ..	2	1	0
Fire - insurance funds, as per Revenue Account ..			28,472 7 5		289	12	5
			£244,927 19 2				36,726 6 8
							£244,927 19 2

3rd March, 1919.

C. R. C. ROBIESON,  
General Manager.

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

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