

1922.
NEW ZEALAND.

STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1921.

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

State Fire Insurance Office, Wellington, 24th April, 1922.

I HAVE the honour to present the seventeenth annual report of the State Fire Insurance Office, together with Revenue Account and balance-sheet, for the year ended 31st December, 1921.

It will be seen from the appended figures that the surplus of the Revenue Account is the greatest yet realized with the exception of the year 1920. The progress of the business has also proved quite satisfactory, especially in view of the fact that large quantities of valuable produce in stores during the previous year have now been shipped, and a considerable fall in revenue resulted from that source, and which to show an increase had to be replaced from other sources.

The total sum assured (new and renewal) during the year was £35,594,889, showing an increase of £2,823,936.

The gross income from all sources amounted to £197,693 14s. 8d., as compared with £183,190 2s. 10d. for the previous year. After deducting reinsurances and return premiums there remains a net income of £150,072 12s. 5d.

The gross surplus after paying losses and working-expenses amounted to £69,554 5s. 6d.

The losses for the year amounted to £38,125 13s. 5d., being 27·95 per cent. of the net premium income. This ratio may be regarded as something more than satisfactory in view of the very serious run of fires which took place in the early months of the year. The loss ratio is far below pre-war averages.

The working-expenses were 31·07, being a reduction of 0·40 per cent. on the previous year; and further considerable reduction may be expected this year, owing to reduction in cost-of-living bonus paid to staff and a reduction in other expenses.

The gross surplus of £69,554 5s. 6d. for the year is allocated as follows: Unearned Premium Reserve, £4,756 4s. 2d.; Investment Fluctuation Reserve, £1,000; income-tax, £24,473 10s.: leaving a net profit of £39,324 11s. 4d.

The assets of the Office at the close of the year amounted to £405,301 9s. 5d., as compared with £348,390 3s. 9d. for 1920.

The sum invested at the close of 1921 stood at £333,836 10s. 7d., as against £297,732 19s. 1d. for 1920.

Following are the particulars of profits, net income, losses, working-expenses, and funds for 1921 as compared with the year 1920:—

Profits.—The net surplus (inclusive of income-tax charges), after appropriating a further sum of £4,756 4s. 2d. to Unearned Premiums Reserve and a further sum of £1,000 to Investment Fluctuation Reserve, amounted to £63,798 1s. 4d., as compared with £62,777 4s. 11d. for 1920.

The total accumulated profits at the close of 1921 amounted to £296,566 13s. 7d., as against £257,242 2s. 3d. for 1920.

Net Income.—The net income from all sources amounted to £150,072 12s. 5d., as against £135,669 14s. 2d. for 1920, showing an increase of £14,402 18s. 3d. The net premium income was £136,428 12s. 4d., as against £124,538 2s. for 1920, an increase of £11,890 10s. 4d.

Losses.—The net losses were £38,125 13s. 5d., as compared with £21,181 11s. 4d. for 1920, the ratio to premium income being 27·95 per cent. and 17·01 per cent. respectively.

Working-expenses.—The ratio of working-expenses to premium income, exclusive of income-tax, was 31·07 for 1921 and 31·47 for 1920.

Accumulated Funds.—The funds at close of 1921 amounted to £361,138 2s. 7d., and for 1920 to £316,057 7s. 1d., a substantial increase of £45,080 15s. 6d.

The amalgamation of the State Fire Insurance Office with the Government Life and Accident Office has led to my retirement from the Government Service, and as this is the last statement I shall have the honour of submitting to Parliament, I should like to record the fact that I was appointed