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

to the control of the State Fire Office in 1910. At the close of the year 1909 the tetal income of the Office amounted to £35,479 11s. 5d., and there was a deficit on Profit and Loss Account of £1,441 9s. 6d. This, my last balance-sheet, shows a net income of £150,072 12s. 5d., and a net profit of £296,566 13s. 7d., after paying over £82,000 in income-tax for the last five years.

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I wish also to place on record the high standard of efficiency attained by the staff and the splendid loyalty accorded me at all times, and to commend specially their very fine efforts and sacrifices during

the war period, when 65 per cent. of their comrades were serving in the fighting-line.

C. R. C. Robieson, General Manager.

STATE FIRE INSURANCE OFFICE.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1921.

Description of the description of mineral	£	s.		Township (after deduction of scincular con)	£	8.	
Premiums after deduction of reinsurances Other receipts—Interest, commission, and rent			4	Losses by fire (after deduction of reinsurances) Appropriated to reserve for unearned pre-		13	Ð
				miums (in addition to £49,815 4s. 10d. al-			_
				ready reserved)	4,756		2
				Government taxes			0
				Commission	9,379		2
				Salaries	20,699	2	0
				Contributions to Fire Boards under the Fire			
				Brigades Act, 1908	3,212	10	:3
				Expenses of management— \pounds s. s.			
•				Travelling-expenses 2,387 0 10			
				Printing, stationery, and			
				advertising 1,873 9 6			
				Rent 1,216 10 2			
				Exchange 131 3 10			
				Postages, telegrams, cable-			
				grams, and sundry charges 2,800 16 8			
					8,409	1	0
				Investments Fluctuation Reserve Fund	1,000	0	0
¥				Office premises and equipment written off	692	6	1
				Amount of Fire Insurance funds at end of year		11	4
	150,072	19	5		£150,072	19	
<u>.</u>	1100,014	14	- 0		2100,012	12	
•				•			_

BALANCE-SHEET ON THE 31ST DECEMBER 1921

BALANCE	-SHEET ON THE	31ST DECEMBER, 1921.				
Liabilities.		Assets.		£	8. 0	d.
£ s. d	. £ s. d.	Government war-loan securities		138,324	12	0
Capital authorized by the		Other Government securities		57,050	-	0
State Fire Insurance Act,		Local-authority securities		4,800		0
$1908 \dots \dots 100,000 0$	0	Fixed deposits and at short call				0
Less not raised 100,000 0	0	Mortgages on property		2,970	10	0
	- Nil.	£	s. d.			
Reserve Fund	. 257,242 2 3	Land and buildings 116,916	8 7			
Investments Fluctuation Reserve Fund .	. 10,000 0 0	Less mortgages taken over				
Reserve for unearned premiums	. 54,571 9 0	on Office premises pur-				
Premiums and other deposits	. 649 18 2	chased 6,225	0 0			
Outstanding fire losses	. 2,565 0 0	Va committee palement to take a committee of the committe		110,691	8	7
Government taxes	. 24,261 7 1	Office equipment		1,019	9	3
Interest accrued but not due on mortgages .	. 64 3 3	Outstanding premiums		8,186	12	0
Other amounts owing by the Office-		Interest accrued but not due		2,462	6	0
Reinsurance premiums due 14,274 10 1	1	Cash in bank of New Zealand				
Commission 1,659 18	9	at Wellington, or in transit £	s. d.			
Rent 19 10 1	0	to Wellington 59,205	8 6			
Printing, stationery, and		Imprest Account balances—				
	6	£ s. d.				
Postages and sundry charges 627 9	4	Head Office 3 8 11				
	- 16,622 18 4	Auckland 7 7 1				
Fire Insurance funds, as per Revenue Accoun-	t 39,324 11 4	Christehurch 307 5 6				
, 1		Dunedin 155 5 0				
		Palmerston N. 38 9 5				
		New Plymouth 79 7 2				
		591	3 1			
				59,796	11	7
	C405 201 0 5			C405 901		
	£405,301 9 5			£405,301	9	5

C. R. C. Robieson, General Manager.

14th February, 1922.

I hereby certify that the Revenue Account and balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—G. F. C. CAMPBELL, Controller and Auditor-General.

Approximate Cost of Paper.-Preparation, not given; printing (1,225 copies), £4 10s.