Review of Twenty Years' Progress.—The presentation of the twentieth annual report makes it opportune to recall that the Office was opened on the 4th January, 1905, with an advance of £2,000 borrowed from the Treasury, being at that time the first competitive State Fire Office in the world. Under fiercely competitive conditions, which involved a reduction in the then current rates of 10 per cent. on trade risks and 33\frac{1}{3} per cent. on dwellings (which reductions have continued ever since), the Office showed at the end of the first year an income of £13,135 and a net surplus of £481. Twenty years later the annual income had grown to £190,300 and the assets to over £530,000. The only year in which the Office suffered a set-back was 1908, when £5,700 was lost as a result of exceptional circumstances—viz., bush-fires and the Christchurch conflagration. In 1913 the Office had recovered sufficiently to repay with interest the £2,000 originally borrowed, and since then has continued in the fortunate position of being able to conduct its large and increasing business entirely without the aid of borrowed capital.

The Office has had the support of the public in an increasing degree, and it now occupies the first position among fire offices of the Dominion, both in premium income and in the number of individual policyholders. This record is all the more notable in that the Office has, throughout its history, been in active competition with well-managed private companies, many of which were established in the

Dominion over thirty years before the State Fire Insurance Act became law.

Firstly by the percentage reductions, and more recently by the institution of the rebate system, the State Fire Office may claim credit for having reduced fire-insurance rates to within reasonable distance of actual cost, at a working-expense ratio very considerably lower than the average of its competitors, and to have thus saved the public at least £4,000,000 in the last twenty years. Throughout its history the loss ratio of the Office has, fortunately, been consistently lower than the average of other offices, but it is recognized that an abnormal loss, due to a conflagration or bushfires, such as occurred in 1908, is one of the hazards of the business, and for that reason strong reserves are essential. These are being established concurrently with the declaration of the rebates.

In concluding this brief review it is fitting that appreciation should be expressed of the ability and excellent team spirit of the staff, who have, throughout the history of the Office, given ungrudging service. The Office system embodies many suggestions made by members of the staff, which have materially assisted in promoting efficiency and in reducing the expense ratio to its present satisfactory

level.

J. H. JERRAM. General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1924.

91)	31 D	ECE	MBER, 1924.			
Premiums after deduction of reinsurances 165,0 Other receipts—Interest, commission, and rent 25,2		_	Bonus rebate to policyholders Losses by fire (after deduction of reinsurances)	£ 22,005 60,817	5	d. 3
			already reserved)	4,362 14,329 8,240 20,647	$^{19}_6$	9 1 2 8
			nuation Fund	518	18	8
		!	Contributions to Fire Boards under the Fire Brigades Act, 1908 Agents' defalcations	4,030 179		9 8
			Office equipment	9,015 2,767 3,254	18	6 1 9
			Reinsurance Reserve Fund Office premises—Written off Amount of fire-insurance funds at end of year	150,168 5,000 4,000 31,131	0	0
£190,30	0 0	7	£	190,300	0	7