

1929.

NEW ZEALAND.

STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER, FOR THE YEAR ENDED 31ST DECEMBER, 1928.

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

State Fire Insurance Office, Wellington, 10th June, 1929.

I HAVE the honour to submit the twenty-fourth annual report of the State Fire Insurance Office, for the year ended 31st December, 1928, with the Revenue Account and Balance-sheet.

The following comparative figures for the last three years show the progress made :—

	1926.	1927.	1928.
	£	£	£
Income—			
Premiums	197,471	207,610	211,634
Other receipts	36,074	35,884	40,459
Outgo—			
Bonus rebate to policyholders	24,496	25,765	26,421
Claims	79,062	98,134	81,585
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims to premium income	40.04	47.27	38.55
Working-expenses (exclusive of income-tax and Fire Board contributions)	£ 50,048	£ 50,295	£ 49,804
Fire Board contributions	5,304	6,903	7,283
Income-tax	15,073	11,957	9,789
	Per Cent.	Per Cent.	Per Cent.
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income	25.35	24.23	23.54
Ratio of Fire Board contributions to premium income	2.68	3.32	3.44
Ratio of income-tax to premium income	7.63	5.76	4.63
	£	£	£
Carried to reserve for unearned premiums	8,322	4,055	1,609
Surplus, apportioned as follows—	£	£	£
Reinsurance Reserve Fund	5,000	5,000	10,000
Bonus Rebate Reserve	1,500	1,500	1,000
Written off office premises	4,000	4,000	3,000
Reserve Fund	40,737	35,883	61,600
Total	£51,237	£46,383	£75,600
Reserves and funds at 31st December	£623,622	£670,061	£744,271

The new business available was less than in previous years. Reductions in the rating classification of several districts where the Office holds a large number of risks also affected the increase in premium income. The ratio of working-expenses to premium income, however, was lower than for the past fifteen years, and the surplus a record. In this connection it is particularly gratifying to be able to report that during 1928, when fire claims on all insurance offices rose in the aggregate to a figure little short of a million and a half sterling—the highest ever recorded—the State Fire underwriting results, on the whole, were more satisfactory than for years past.

Bonus Rebate.—This was fixed for 1928 at the same rate as for the previous year—viz., 12½ per cent. The cost of rebates to the Office up to the end of 1928 has been as follows :—

Year ended 31st December,	£
1923	10,996
1924	22,005
1925	17,405
1926	24,496
1927	25,765
1928	26,421
	£127,088

Income-tax.—It is not generally understood that the Office pays income-tax, although not quite on the same basis as insurance companies so far as reinsurances placed outside the Dominion are concerned. According to returns published by the Government Statistician, the State Fire Office has been for years past the largest fire-insurance taxpayer in the Dominion. For the five years ending 1927 the State Fire Office paid a total of £68,523 in income-tax, while the next largest total paid by any one office for the same period was £37,186. For 1927 (the latest year for which comparative figures have been published) the State Fire Office with 13.27 per cent. of the total fire premium income, provided no less than 35.09 per cent. of the total income-tax collected from all fire-insurance offices.

J. H. JERRAM, General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1928.

	£	s.	d.		£	s.	d.
Premiums after deduction of reinsurances ..	211,634	7	0	Bonus rebate to policyholders ..	26,421	1	5
Other receipts—Interest, commission, and rent ..	40,459	14	7	Losses by fire (after deduction of reinsurances) ..	81,585	2	0
				Appropriated to reserve for unearned premiums (in addition to £83,044 7s. 8d. already reserved)	1,609	7	2
				Government taxes ..	9,789	16	4
				Commission ..	10,039	15	0
				Salaries ..	26,971	5	3
				Contribution to Public Service Superannuation Fund ..	468	9	3
				Contributions to Fire Boards under the Fire Bri- gades Act, 1908 ..	7,283	10	10
				Expenses of management—	£	s.	d.
				Travelling-expenses ..	1,799	7	9
				Printing, stationery, and ad- vertising ..	1,303	12	1
				Rent ..	1,869	16	11
				Exchange ..	39	17	0
				Postages, telegrams, cablegrams, and sundry charges ..	3,087	11	0
							8,100 4 9
				Office equipment ..			985 0 6
				Office premises—Depreciation ..			3,239 15 4
							176,493 7 10
				Reinsurance Reserve Fund ..			10,000 0 0
				Bonus Rebate Reserve ..			1,000 0 0
				Office premises—Written off ..			3,000 0 0
				Amount of fire-insurance funds at end of year ..			61,600 13 9
							£252,094 1 7
							£252,094 1 7

BALANCE-SHEET AS ON THE 31ST DECEMBER, 1928.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	£	s. d.		£	s.	d.
Capital authorized by the State Fire Insurance Act, 1908 ..	100,000			Government war-loan securities ..	148,146	7	0
Less not raised ..	100,000			Other Government securities ..	123,150	0	0
			Nil.	Local-authority securities ..	87,696	4	4
Reserve Fund ..		525,516	19 11	Rural Advances bonds ..	14,175	0	0
Investments Fluctuation Reserve Fund ..		10,000	0 0	Rural Intermediate Credit bonds ..	20,000	0	0
Reserve for unearned premiums ..		84,653	14 10	Fixed deposits and at short call ..	90,000	0	0
Bonus Rebate Reserve ..		27,500	0 0	Land and buildings ..	210,615	12	11
Reinsurance Reserve Fund ..		35,000	0 0	Outstanding premiums ..	8,950	4	2
Premium and other deposits ..		814	17 3	Interest accrued but not due ..	7,259	18	0
Outstanding fire losses ..		1,855	0 0	Rent accrued or due ..	213	1	4
Government taxes ..		9,789	16 4	Rent overdue ..	292	8	7
Sundry creditors ..		5,687	12 5	Cash in Bank of New Zealand at Wellington, or in transit to Wellington ..	60,466	3	1
Other amounts owing by the Office—	£	s.	d.	Imprest Account			
Reinsurance premiums due ..	7,085	11	0	balances—	£	s.	d.
Commission ..	1,664	8	11	Head Office ..	635	4	9
Rent ..	30	4	0	Auckland ..	0	4	4
Printing, stationery, and adver- tising ..	17	4	7	Hamilton ..	5	11	9
Postages and sundry charges ..	742	11	2	New Plymouth ..	25	1	6
			9,539 19 8	Palmerston North ..	4	11	9
Fire-insurance funds, as per Revenue Account ..		61,600	13 9	Napier ..	0	10	2
				Nelson ..	10	7	7
				Christchurch ..	283	8	0
				Timaru ..	8	19	0
				Dunedin ..	2	2	7
				Invercargill ..	17	13	4
							993 14 9
							61,459 17 10
							£771,958 14 2
							£771,958 14 2

27th March, 1929.

J. H. JERRAM, General Manager.
C. B. REDWARD, Accountant.

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.

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