

1934.  
NEW ZEALAND.

# STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1933.

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

State Fire Insurance Office, Wellington, 16th April, 1934.

I HAVE the honour to submit the twenty-ninth annual report of the State Fire Insurance Office for the year ended 31st December, 1933, with the Revenue Account and Balance-sheet.

The following are the comparative figures for the last three years:—

	1931. £	1932. £	1933. £
Income—			
Premiums .. .. .	216,007	208,493	201,351
Other receipts, less land-tax and bad debts .. ..	49,496	46,749	42,906
Outgo—			
Bonus rebate to policyholders .. .. .	26,187	25,294	30,060
Claims .. .. .	112,932	70,444	49,005
Working-expenses (exclusive of income-tax and Fire Board contributions) .. .. .	50,479	47,967	51,340
Fire Board contributions .. .. .	7,927	7,835	7,968
Income-tax .. .. .	26,152	28,201	33,912
Cash stolen or burnt, Hawke's Bay earthquake .. ..	26	..	..
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims to premium income .. .. .	52.28	33.79	24.34
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income .. ..	23.38	23.01	25.5
Ratio of Fire Board contributions to premium income .. ..	3.67	3.76	3.96
Ratio of income-tax to premium income .. .. .	12.11	13.52	16.84
	£	£	£
Carried to reserve for unearned premiums .. .. .	..	15,482	..
Surplus, apportioned as follows:—			
Payment to Treasury under section 5, Finance Act, 1931 (No. 2) .. ..	2,612	3,484	3,484
Bad Debts Reserve .. .. .	500	1,000	..
Written off Office premises .. .. .	10,000	38,400	29,700
Investment Fluctuation Reserve Fund .. .. .	7,000	15,000	15,000
Reserve Fund .. .. .	21,687	2,134	3,788
Reinsurance Reserve Fund .. .. .	..	..	..
Bonus Rebate Reserve .. .. .	..	..	20,000
Total .. .. .	£41,799	£60,018	71,972
Reserves and funds at 31st December .. .. .	£918,682	£952,299	£991,087

1. The reduction in premium income shown since 1931 continues, due mainly to adjustment of amounts insured to a lower level in accordance with present-day values. Competition also is extremely keen for the small amount of new business which is available, and in seeking its share, the Office suffers a disability in that many lending institutions and mortgagees, other than Government Departments, to an increasing degree make it a practice to compel the insurances of borrowers to be placed with insurance companies for which they act as agents. Where the business is free, the claim which the Office has on the support of the public by reason of its service receives excellent recognition.

2. As from 1st September, 1933, the Board decided to grant an additional rebate of  $12\frac{1}{2}$  per cent. on dwellings situated in areas where there is adequate fire protection, and an additional  $7\frac{1}{2}$  per cent. on dwellings and farm risks situated in other areas. These percentages bring the current State Fire rebate up to 25 per cent. and 20 per cent. respectively. The cost for twelve months of this further concession to State Fire policyholders is estimated at £19,000 approximately, and as the companies follow similarly in regard to their policyholders, the total saving to the public will not be less than £100,000.

J. H. JERRAM, General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31ST DECEMBER, 1933.

	£	s.	d.		£	s.	d.
Premiums after deduction of reinsurances ..	201,351	0	3	Bonus rebate to policyholders ..	30,060	1	4
Other receipts—				Losses by fire and earthquake (after deduction of reinsurances) ..	49,004	14	4
Interest, commission, and rent ..	43,286	12	0	Income-tax ..	33,911	11	7
Less land-tax ..	380	9	2	Commission ..	9,320	16	0
	42,906	2	10	Salaries ..	25,315	1	5
				Contribution to Public Service Superannuation Fund ..	525	15	9
				Contributions to Fire Boards under the Fire Brigades Act, 1908 ..	7,967	19	1
				Expenses of management—			
				Travelling-expenses ..	2,997	15	2
				Printing, stationery, and advertising ..	1,483	14	0
				Rent ..	1,697	4	10
				Exchange ..	45	10	5
				Postages, telegrams, cablegrams, and sundry charges ..	6,645	18	3
					12,870	2	8
				Office equipment ..	721	13	10
				Office premises: Depreciation ..	2,586	11	0
					172,284	7	0
				Payment to New Zealand Treasury under section 5, Finance Act, 1931 (No. 2) ..	3,484	11	0
				Investments Fluctuation Reserve Fund ..	15,000	0	0
				Bonus Rebate Reserve ..	20,000	0	0
				Office premises—Written off ..	29,700	0	0
				Amount of fire-insurance funds at end of year ..	3,788	5	1
					£244,257	3	1
	£244,257	3	1				

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1933.

	£	s.	d.		£	s.	d.
<i>Liabilities.</i>				<i>Assets.</i>			
Capital authorized by the State Fire Insurance Act, 1908 ..	100,000			Government securities ..	436,392	16	2
Less not raised ..	100,000			Local-authority securities ..	151,751	2	7
	Nil.			Rural Advances bonds ..	14,175	0	0
Bad Debts Reserve ..	1,500	0	0	Fixed deposits and at short call ..	280,000	0	0
Reserve Fund ..	713,552	10	11	Land and buildings ..	124,680	9	6
Investments Fluctuation Reserve Fund ..	59,000	0	0	Outstanding premiums ..	10,159	3	7
Reserve for unearned premiums ..	104,246	9	11	Interest accrued but not due ..	9,415	8	6
Bonus Rebate Reserve ..	49,000	0	0	Rent accrued or due ..	1,913	2	4
Reinsurance Reserve Fund ..	60,000	0	0	Rent overdue ..	134	15	4
Premium and other deposits ..	1,047	3	9	Cash in Bank of New Zealand at Wellington, or in transit to ..	31,187	8	9
Outstanding fire and earthquake losses ..	3,130	0	0	Imprest Account balances: Head Office and branches ..	703	12	2
Government taxes ..	43,911	11	7		31,891	0	11
Sundry creditors ..	6,815	4	9				
Other amounts owing by the Office—							
Reinsurance premiums due ..	10,647	7	9				
Commission ..	1,515	12	3				
Printing, stationery, and advertising ..	16	0	10				
Postages and sundry charges ..	2,342	12	1				
	14,521	12	11				
Fire-insurance funds, as per Revenue Account ..	3,788	5	1				
	£1,060,512	18	11		£1,060,512	18	11

23rd May, 1934.

J. H. JERRAM, General Manager.  
L. H. OSBORN, Deputy General Manager.

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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