

1945  
NEW ZEALAND

# STATE FIRE INSURANCE OFFICE

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1944

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

State Fire Insurance Office, Wellington, 29th March, 1945.

I HAVE the honour to submit the fortieth annual report of the State Fire Insurance Office, for the year ended 31st December, 1944, with the Revenue Account and Balance-sheet.

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

	1942.		1943.		1944.	
	£	£	£	£	£	£
<b>Income—</b>						
Premiums .. .. .	222,081		225,037		183,827	
Other receipts, less land-tax .. .. .	58,638		65,982		59,779	
	280,719		291,019		243,606	
<b>Outgo—</b>						
Bonus rebate to policyholders .. .. .	44,124		47,128		20,782	
Claims .. .. .	34,234		25,018		38,110	
Working-expenses (exclusive of income-tax and Fire Board contributions) .. .. .	58,232		54,512		53,393	
Fire Board contributions .. .. .	15,618		16,144		16,365	
Income-tax .. .. .	75,270		83,788		76,341	
National and social security tax .. .. .	16,214		18,201		16,501	
Carried to reserve for unearned premiums .. .. .	..		1,289		..	
	243,692		246,080		221,492	
<b>Surplus, apportioned as follows:—</b>						
Written off Office premises .. .. .	20,000		21,000		20,000	
Reserve Fund .. .. .	17,027		23,939		2,114	
	37,027		44,939		22,114	
Total .. .. .	280,719		291,019		243,606	
<b>Reserves and funds at 31st December</b> .. .. .	1,241,271		1,266,500		1,268,613	
	Per Cent.		Per Cent.		Per Cent.	
Ratio of claims to premium income .. .. .	15·41		11·12		20·73	
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income .. .. .	26·22		24·22		29·05	
Ratio of Fire Board contributions to premium income .. .. .	7·03		7·18		8·9	
Ratio of income-tax and national and social security tax to total income .. .. .	32·59		35·04		38·11	

Notwithstanding the fact that the premium income for the year shows a decrease of £41,210, the amount of new business obtained by the Office has been satisfactory. The decrease in the premium income is due to the revised and simplified method of rating instituted by the Office as from the 1st March last year and which has resulted in a considerable saving to the insuring public by way of reduced premiums.

The loss ratio has increased from 11·12 for 1943 to 20·73 for 1944. Although the reduction in premium income would have the effect of increasing the loss ratio to some extent, the amount paid out in losses exceeded that of the previous year by £13,992. This upward tendency is only to be expected. The loss ratio for 1943 was abnormally low, and it is only reasonable to suppose that this low ratio would not continue.

The increasing work of the staff, which still continues to be carried out under extreme difficulty owing to the staffing problem, has been loyally performed, and I desire to record the excellent service rendered by the executive officers and all members of the staff.

R. H. NEWBOLD, General Manager.