STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1925.

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

State Fire Insurance Office, Wellington, 21st May, 1926.

I HAVE the honour to submit the twenty-first annual report of the State Fire Insurance Office for the year ended 31st December, 1925, together with Revenue Account and Balance-sheet.

Income.—The total net income from all sources amounted to $\pounds 207,418$, being an increase of $\pounds 17,118$ over 1924. The net premium income was $\pounds 176,664$, as compared with $\pounds 165,070$ for 1924, the increase for the year being $\pounds 11,594$. At the end of the year policies on the books of the Office numbered over one hundred thousand.

Claims.—The claims totalled $\pounds 56,997$, against $\pounds 60,817$ for 1924. This result may be considered as very satisfactory in view of the fact that (although final figures are not yet available) it is reliably estimated that the total paid in fire claims by all offices during 1925 exceeded the previous year, when claims amounted to $\pounds 1,008,746$, which is the largest sum yet recorded as having been lost by insurance offices in any one year. Uninsured property is not included in this total. The steady increase in fire losses in the last three years should direct public attention to the fact that fire waste is an irreparable loss, and fire insurance merely a method of distributing some part of that loss in the form of a tax on the insuring public.

Working-expenses.—Exclusive of Government taxes (which amounted to 5.8 per cent.), Fire Board contributions (2.4 per cent.), and depreciation of Office premises (1.95 per cent.), the workingexpense ratio to premium income was reduced from 25.1 to 23.8 per cent., and inclusive of Fire Board contributions and depreciation of Office premises from 29.48 to 28.14 per cent. The average ratio for all offices for 1924 was 37.43 per cent.

Surplus and Assets.—The surplus for the year, after making full provision for rebates, reserves, and depreciation and writing-down of Office premises, was £35,917. The assets totalled £604,096, showing an increase of £73,812 over the total for 1924.

Bonus Rebate.—The period for which the second rebate of 10 per cent. was declared expired on the 31st July, and was continued by resolution of the Board until the close of the financial year, 31st December last, when a third rebate was declared at the increased rate of $12\frac{1}{2}$ per cent.

The cost to the Department of its rebates has been as follows: Year 1923 (five months), £10,996; year 1924, £22,005; year 1925, £17,405: total £50,406. This substantial concession represents only a part of the benefit derived by the public in consequence of the introduction of the State Fire system of rebates, each rebate as declared having been followed by the associated companies. In this connection the Government Statistician in his annual report for 1924 estimates that no less than £413,234 has been directly and indirectly saved to the public as a result of the rebates instituted by the State Fire Office.

Comparative Summary.—The progress and position of the Office is briefly shown by the following comparative summary :—

						1924. £	1925. £
		••	••	••		165,070	176,664
ents and	interest	••	••	••	••	25,229	30,753
						· • 6.5	
			••	••	••	22,005	17,405
					• •	60,817	56,997
to premi	iums (per	cent.)			• •	29.48	28.14
1		,				·£	£
			••		•••	5,000	5,000
••		••				4,000	4,000
						Nil	23,500
cember	••			••		499,006	568,061
••			••	••		530,283	604,096
	ents and to premi	ents and interest <td>$\begin{array}{cccccccccccccccccccccccccccccccccccc$</td>	$\begin{array}{cccccccccccccccccccccccccccccccccccc$				

In conclusion I desire to express appreciation of the assistance given by the Fire and Accident staff throughout the year, particularly during the period when extra work was required in connection with the transfer of the Accident Insurance Branch in terms of the Government Accident Insurance Amendment Act, 1924.

J. H. JERRAM,

General Manager.

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			семвег, 1925.	_
Premiums after	deduction of reinsur	ances 176,664 14	8 Bonus rebate to policyholders 17,405 3	d. 2
	Interest, commisson	, and	Losses by fire (after deduction of reinsur-	ĩ
rent	•• ••	30,753 8	4 ances)	- 4
			premiums (in addition to £66,028 0s. 6d.	
			already reserved) \ldots \ldots $4,637$ 17	2
			Government taxes \dots \dots 10.242 18	
			Commission \dots \dots \dots \dots \dots \dots $9,404$ 1	
			Salaries	
pi stration	and the second	· · · · ·	Contribution to Public Service Superan-	
			nuation Fund 636 8	1
			Contributions to Fire Boards under the	
			Fire Brigades Act, 1908 4,241 4	11
			Expenses of management— £ s. d.	
			Travelling-expenses 1,686 2 3	
			Printing, stationery, and	
		4	advertising 1,920 10 3	
			Rent 1,944 1 4	
			Exchange 33 4 2	
			Postages, telegrams,	
			cablegrams, and	
			sundry charges 2,797 4 2	c
			Office equipment 2,200 15 Office premises—depreciation 3,437 7	
			Office premises—depreciation 3,437 7	10
			$\overline{139,000\ 18}$	11
			Reinsurance Reserve Fund 5,000 0	
			Office premises—Written off 4,000 0	
			Bonus Rebate Reserve 23,500 0	
			Amount of fire-insurance funds at end of	
			year 35,917 4]
		<u> </u>		
		£207,418 3	0 £207,418 3	Ģ

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1925.

Liabilities.		Assets.	f s. d.
£ s. d.	£ s. d.	Government war loan securities .	. 138,470 17 0
Capital authorized by the		Other Government securities	. 93,550 0 0
State Fire Insurance		Local-authority securities	. 30,200 0 0
Aet, 1908 100,000 0 0		Fixed deposits and at short call .	. 55,000 0 0
Less not raised 100,000 0 0		Land and buildings	. 224,876 5 1
	Nil	Outstanding premiums	0 000 D 0
Reserve Fund	412,978 11 3	Interest accrued but not due	6 440 × 11
Investments Fluctuation Reserve Fund.	10,000 0 0	Rent accrued or due	
Reserve for unearned premiums	70,665 17 10	Cash in Bank of New Zea-	. 01 10 0
Bonus Rebate Reserve	23,500 0 0	land at Wellington, or in \pounds s. d	
Reinsurance Reserve Fund	15,000 0 0	transit to Wellington 48,613 19	
Premiums and other deposits	998 7 3	Imprest Account	•
Outstanding fire losses	4,156 0 0	balances £ s. d.	
Government taxes	10,242 18 9	Head Office 524 11 1	
Sundry creditors	6,447 3 4	Auckland 0 5 8	
Other amounts owing by the Office-	0,111 / 1	Hamilton 12 6 11	
Reinsurance premiums \pounds s. d.		N. Plymouth 134 12 8	
due 11,353 1 1		Palmerston N. 58 18 6	
Commission 1,747 10 1		Napier 18 10 3	
Rent 77 17 6		Nelson 55 9 10	
Printing, stationery, and		Christehurch 89 13 3	
a dimensional III I II		Timaru 27 18 4	
Postages and sundry		Dunedin \dots 70 5 4	
-h		Invercargill 26 0 3	
charges 960 8 11	14,189 19 2	1000000000000000000000000000000000000	1
Fire-insurance funds, as per Revenue Ac-	14,105 19 2	1,010 12	L '
count	35,917 4 1		- 49,632 11 2
count	55,517 4 1		- 49,052 11 2
÷.	604,096 1 8		£604,096 1 8
			2001,000 I O
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8th March, 1926.

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

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I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the 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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