

1930.
NEW ZEALAND

STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1929.

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

State Fire Insurance Office, Wellington, 24th June, 1930.

I HAVE the honour to submit the twenty-fifth annual report of the State Fire Insurance Office for the year ended 31st December, 1929, with the Revenue Account and Balance-sheet.

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

	1927.	1928.	1929.
Income—	£	£	£
Premiums	207,610	211,634	217,990
Other receipts, less land-tax	35,884	40,459	41,003
Outgo—			
Bonus rebate to policyholders	25,765	26,421	27,208
Claims	98,134	81,585	75,316
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims to premium income	47·27	38·55	34·55
Working-expenses (exclusive of income-tax and Fire Board contributions)	£	£	£
Fire Board contributions.. .. .	50,295	49,804	52,194
Income-tax	6,903	7,283	7,709
	11,957	9,789	15,746
	Per Cent.	Per Cent.	Per Cent.
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income	24·23	23·54	23·94
Ratio of Fire Board contributions to premium income	3·32	3·44	3·54
Ratio of income-tax to premium income	5·76	4·63	7·22
Carried to reserve for unearned premiums	£	£	£
Surplus, apportioned as follows—	£	£	£
Reinsurance Reserve Fund	4,055	1,609	2,542
Bonus Rebate Reserve	5,000	10,000	10,000
Written off office premises	1,500	1,000	1,000
Investment Fluctuation Reserve Fund	4,000	3,000	4,000
Reserve Fund	6,000
	35,883	61,600	57,276
Total	£46,383	£75,600	£78,276
Reserves and funds at 31st December	£670,061	£744,271	£821,090

Briefly summarized, the figures show a satisfactory advance in both premium income and other receipts (the latter after payment of land-tax for the first time), with smaller losses, and a record surplus. Public confidence in the Office is well maintained, and the results indicate that the business underwritten is, on the whole, of an excellent class. Claims for the year were abnormally low, and the Office is fortunate in being again able to show better results than most of the insurance companies. Concern, however, must be expressed at the occurrence of so many fires for which no adequate cause can be assigned. No doubt obscure physical conditions are responsible for some, but, as losses occur with the greatest frequency in districts where financial depression is most severely felt, it is impossible to avoid the conclusion that many fires, if not actually procured, are at least not undesired. Public attention has repeatedly been directed to the seriousness of the problem of fire waste, and it is hoped that practical steps will be taken in the near future to deal with what is a most important national question.

Bonus Rebate.—This was fixed for 1929 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 1929 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
.. .. . 1929		27,208
		£154,296

Income-tax.—For the year under review a larger sum (£15,746) was paid in income-tax than since 1923, and it may safely be said that the Office maintains its position as the largest fire-insurance income-tax payer. For 1928 (the latest year for which comparative figures have been published) the State Office, with 13·51 per cent. of the total fire premium income, paid no less than 44 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, 1929.

		£	s.	d.			£	s.	d.
Premiums after deduction of reinsurances	..	217,990	18	8	Bonus rebate to policyholders	..	27,208	18	4
Other receipts—Interest, com- mission, and rent	..	43,113	17	11	Losses by fire (after deduction of reinsurances)	..	75,316	13	1
Less land-tax	..	2,110	0	2	Appropriated to reserve for unearned premiums (in addition to £84,653 14s. 10d. already reserved)	..	2,542	11	10
		41,003	17	9	Income-tax	..	15,746	16	3
					Commission	..	10,565	19	11
					Salaries	..	27,781	12	6
					Contribution to Public Service Superannuation Fund	..	479	14	4
					Contributions to Fire Boards under the Fire Bri- gades Act, 1908	..	7,709	1	11
					Expenses of Management—	£	s.	d.	
					Travelling-expenses	..	1,826	11	3
					Printing, stationery, and ad- vertising	..	1,228	2	10
					Rent	..	1,812	17	2
					Exchange	..	42	5	1
					Postages, telegrams, cablegrams, and sundry charges	..	3,358	18	8
							8,268	15	0
					Office equipment	..	1,784	11	11
					Office premises—Depreciation	..	3,313	9	1
							180,718	4	2
					Investments Fluctuation Reserve Fund	..	6,000	0	0
					Reinsurance Reserve Fund	..	10,000	0	0
					Bonus Rebate Reserve	..	1,000	0	0
					Office premises—Written off	..	4,000	0	0
					Amount of fire-insurance funds at end of year	..	57,276	12	3
							£258,994	16	5
							£258,994	16	5

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE AS ON THE 31ST DECEMBER, 1929.

<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	..	188,150	0	0
					Local-authority securities	..	110,396	4	4
					Rural Advances bonds	..	14,175	0	0
					Rural Intermediate Credit bonds	..	20,000	0	0
Reserve Fund	..	587,117	13	8	Fixed Deposits and at short call	..	110,000	0	0
Investments Fluctuation Reserve Fund	..	16,000	0	0	Land and buildings	..	210,926	4	6
Reserve for unearned premiums	..	87,196	6	8	Outstanding premiums	..	8,877	16	6
Bonus Rebate Reserve	..	28,500	0	0	Interest accrued but not due	..	9,157	12	8
Reinsurance Reserve Fund	..	45,000	0	0	Rent accrued or due	..	233	1	8
Premium and other deposits	..	1,271	3	5	Rent overdue	..	174	16	9
Outstanding fire losses	..	6,136	0	0	Cash in Bank of New Zealand at Wellington, or in transit to Wellington	..	41,704	10	9
Government taxes	..	15,836	5	11	Imprest Account				
Sundry creditors	..	6,313	8	10	balances—	£	s.	d.	
Other amounts owing by the Office—	£	s.	d.		Head Office	..	87	0	5
Reinsurance premiums due	..	8,704	17	0	Auckland	..	0	0	2
Commission	..	1,606	19	10	Hamilton	..	2	19	6
Rent	..	29	3	4	New Plymouth	..	163	14	11
Printing, stationery, and adver- tising	..	5	9	2	Palmerston North	..	19	1	1
Postages and sundry charges	..	1,291	4	11	Napier	..	16	8	6
					Nelson	..	4	6	4
					Christchurch	..	0	7	1
					Timaru	..	21	12	9
					Dunedin	..	22	19	9
					Invercargill	..	5	0	4
Fire-insurance funds, as per Revenue Account	..	57,276	12	3			343	10	10
							42,048	1	7
							£862,285	5	0
							£862,285	5	0

2nd April, 1930.

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.

Approximate Cost of Paper.—Preparation, not given; printing (1,800 copies), £3 15s.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1930.

Price 3d.]