

State Fire Insurance Office, Wellington, 30th March, 1948.

I HAVE the honour to submit the forty-third annual report of the State Fire Insurance Office, for the year ended 31st December, 1947, with the Revenue Account and Balance-sheet.

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

	1945.		1946.		1947.	
	£	£	£	£	£	£
Income—						
Premiums	203,494		228,429		262,658	
Other receipts, less land-tax	63,693		124,889		83,504	
	<u>267,187</u>		<u>353,318</u>		<u>346,162</u>	
Outgo—						
Bonus rebate to policyholders	20,398		25,224		34,059	
Claims	36,900		58,483		47,194	
Working-expenses (exclusive of income-tax and Fire Board contributions)	55,958		70,847		74,616	
Fire Board contributions	16,418		17,236		16,824	
Income-tax	72,746		74,242		77,476	
National and social security tax	12,596		12,673		11,659	
Carried to reserve for unearned premiums ..	..		1,696		17,115	
Office equipment (balance)	..		..		10,000	
	<u>215,016</u>		<u>260,401</u>		<u>288,943</u>	
Surplus, apportioned as follows :—						
Written off Office premises	20,000		20,000		20,000	
Reserve Fund	32,171		72,917		37,219	
	<u>52,171</u>		<u>92,917</u>		<u>57,219</u>	
Total	<u>267,187</u>		<u>353,318</u>		<u>346,162</u>	
Reserves and funds at 31st December ..	<u>1,300,785</u>		<u>1,375,398</u>		<u>1,429,731</u>	
	Per Cent.		Per Cent.		Per Cent.	
Ratio of claims to premium income	18·13		25·6		17·97	
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income	27·5		31·02		28·41	
Ratio of Fire Board contributions to premium income	8·07		7·55		6·40	
Ratio of income-tax and national and social security tax to total income	31·94		24·6		25·75	

(1) The premium income of £262,658 is the largest recorded in the history of the Office, and shows an increase of £34,229 for the year.

(2) As a result of the favourable loss experience the bonus rebate of 10 per cent. for wood risks and 15 per cent. for brick risks was increased to 20 per cent. off all renewal premiums as from 1st November, 1947, on both wood and brick risks.

(3) Working-expenses at 28·41 per cent. show a reduction of 2·61 per cent., despite increasing administrative costs.

(4) Shortage of experienced staff and limited transport facilities severely curtailed work of an active competitive nature, but service to policyholders and to the Dominion in giving attention to the rapidly increasing business was maintained notwithstanding these difficulties.

(5) I desire to place on record appreciation of the executive officers and staff of the Office in achieving the excellent results recorded in the accounts.

R. H. NEWBOLD, General Manager.