1949
NEW ZEALAND

STATE FIRE INSURANCE OFFICE

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1948

Presented to Both Houses of the General Assembly Pursuant to the Provisions of the State Fire Insurance Act, 1908

By Authority: R. E. Owen, Government Printer, Wellington.—1949.

State Fire Insurance Office, Wellington, 30th April, 1949.

I HAVE the honour to submit the forty-fourth annual report of the State Fire Insurance Office, for the year ended 31st December, 1948, with the Revenue Account and Balance-sheet.

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

	1946.		1947.		1948.	
	£	£	£	£	£	£
Income—						
Premiums	228,429		262,658		300,195	
Other receipts, less land-tax	124,889		83,504		73,067	
		353,318		346,162		373,262
Outgo—						
Bonus rebate to policyholders	25,224		34,059		55,410	
Claims	58,483		47,194		47,684	
Working-expenses (exclusive of income-tax and Fire Board contributions)	70,847		74,616		93,493	
Fire Board contributions	17,236		16,824		22,009	
Income-tax	74,242		77,476		67,595	
National and social security tax	12,673		11,659		10,198	
Carried to Reserve for Unearned Premiums	1,696		17,115		18,769	
Office equipment (balance)	..		10,000		5,000	
		260,401		288,943		320,158
Surplus, apportioned as follows—						
Written off Office premises	20,000		20,000		20,000	
Reserve Fund	72,917		37,219		33,104	
		92,917		57,219		53,104
		353,318		346,162		373,262
Reserves and funds at 31st December	1,375,398		1,429,731		1,481,604	
	Per Cent.		Per Cent.		Per Cent.	
Ratio of claims to premium income	25·6		17·97		15·88	
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income	31·02		28·41		31·14	
Ratio of Fire Board contributions to premium income	7·55		6·40		7·33	
Ratio of income-tax and national and social security tax to total income	24·6		25·75		20·84	

The figures show that the Office has completed another highly satisfactory year, the increase of £37,537 in premium income being the highest attained in any one year since the inception of the Office. Higher administration costs have had the effect of increasing the working-expenses ratio by 2·73 per cent. The ratio of claims to premium income is less by 2·09 per cent., and the bonus rebate allowed to policyholders increased from £34,058 to £55,410.

The growth in the volume of business transacted by the Office indicates the ever-increasing support afforded it by the insuring public.

I desire to place on record my appreciation of the excellent service given by the staff and thank them for their co-operation and loyalty.

R. H. NEWBOLD, General Manager.

Revenue Account of the State Fire Insurance Office for the Year Ended 31st December, 1948

	£ s. d.	£ s. d.	£ s. d.
Premiums after deduction of reinsurances			300,195 9 9
Other receipts—			
Interest, commission, rent, and exchange		75,278 9 5	
Less tax on interest, commission, rent, and exchange—			
Land and income tax	33,639 17 2		
Social security tax	4,730 0 0		
		38,369 17 2	
			36,908 12 3
			£337,104 2 0

	£ s. d.	£ s. d.
Bonus rebate to policyholders		55,410 2 6
Losses by fire and earthquake (after deduction of reinsurances)		47,683 17 9
Income-tax on underwriting account		36,166 19 1
Social security tax on underwriting account		5,467 15 9
Commission		19,871 18 10
Salaries		53,298 16 10
Contribution to the Government Superannuation Fund ..		2,421 16 1
Contribution to Fire Boards under the Fire Brigades Act, 1908		22,009 10 0
Expenses of management—		
Travelling-expenses	2,150 7 5	
Printing, stationery, and advertising	3,118 12 2	
Rent	1479 2 6	
Exchange	45 15 0	
Postages, telegrams, cablegrams, and sundry charges	2,250 0 7	
		9,043 17 8
Office equipment		10,534 3 2
Office premises: Depreciation		3,322 0 0
Reserve for unearned premiums		18,768 19 6
		283,999 17 2
Office premises: Written off		20,000 0 0
Amount of fire-insurance funds at end of year ..		33,104 4 10
		£337,104 2 0

Balance-sheet of the State Fire Insurance Office on the 31st December, 1948

Liabilities

	£ s. d.	£ s. d.
Capital authorized by the State Fire Insurance Act, 1908	100,000 0 0	
Less not raised	100,000 0 0	
		Nil
Bad Debts Reserve		1,500 0 0
Reserve Fund		949,323 9 5
Investments Fluctuation Reserve Fund		85,000 0 0
Reserve for Unearned Premiums		150,097 14 11
Bonus Rebate Reserve		122,578 17 0
Reinsurance Reserve Fund		140,000 0 0
Premium and other deposits		4,563 0 10
Outstanding fire and earthquake losses		8,500 0 0
Government taxes		167,327 10 4
Sundry creditors		39,387 1 5
Other amounts owing by the Office—	£ s. d.	
Reinsurance premiums due	8,504 6 0	
Commission	7,060 0 0	
Printing, stationery, and advertising	1,332 0 0	
Postages and sundry charges	8,608 0 0	
		25,504 6 0
Fire Insurance Funds		33,104 4 10
		£1,726,886 4 9

Assets

	£ s. d.	£ s. d.
Government securities		1,142,787 12 0
Local-authority securities		156,599 17 11
Fixed deposits and at short call		150,000 0 0
Land and buildings		97,196 8 11
Outstanding premiums		31,968 15 5
Interest accrued but not due		15,456 0 0
Rent accrued or due		5,950 13 11
Cash in Reserve Bank of New Zealand or in transit to Wellington	114,177 4 10	
Imprest advances Head Office and branches	12,749 11 9	
		126,926 16 7
		£1,726,886 4 9

R. H. NEWBOLD, General Manager.
T. L. SEATOR, 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.—J. P. RUTHERFORD, Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given; printing (1,949 copies), £9.

By Authority: R. E. OWEN, Government Printer, Wellington.—1949.

Price 3d.]