

SESSION II.

1906.

NEW ZEALAND.

STATE FIRE INSURANCE OFFICE:

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1905.

Presented to both Houses of the General Assembly pursuant to the provisions of the Act relating to Government Fire Insurance.

IN compliance with statutory provisions, I have the honour to submit the following report regarding the transactions of the Department for the year ended 31st December, 1905.

The State Fire Insurance Office was opened for business on the 4th January, 1905, and branches and agencies have been established throughout the colony.

Reinsurance arrangements were made prior to the opening of the Office, and owing to the exigencies of the business during last year modifications of the original agreement were arranged, which have proved satisfactory.

From the date of opening, the support of the public has been gratifying, and this support has increased month by month, and still continues.

Since the inauguration of State fire insurance the rates have been materially reduced, and the public saving thereby effected may be approximately estimated at £150,000 per annum.

The Revenue Account and balance-sheet appended supply full particulars of the transactions during the year, and show the position of the Department at its close. Taking into consideration the difficulties that had to be faced in establishing a business of this kind, the progress that has been made must, I think, be considered satisfactory. The figures explain themselves; but it may be mentioned in regard to preliminary expenses that, in accordance with the usual practice, the amount expended during 1904 as well as the sum expended during 1905 in connection with the establishment of the Department have been carried to preliminary expenses, and appear accordingly as an asset in the balance-sheet. The larger part of the amount was incurred prior to the establishment of the Department, and the balance in connection with the opening of agencies and the extension of the business. With a view to the early elimination of this asset from the balance-sheet, the sum of £634 5s., being one-fourth of the total amount charged, has been written off out of last year's revenue.

It will be observed that the necessary proportion of the total premiums—viz., the sum of £4,375 17s. 3d.—has been set aside as a reserve for unearned premiums.

J. W. BRINDLEY,
General Manager.