

1907.
NEW ZEALAND.

STATE FIRE INSURANCE OFFICE :

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1906.

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 for the year ended 31st December, 1906.

The year 1906 is the second financial year of the State Fire Insurance Office, and I am pleased to be able to point out the continued strong support of the public as shown by the fact that the net income for 1906 amounts to £20,962 8s., in comparison with £13,127 11s. 9d. for 1905.

Early in 1906 the insurance companies abandoned all their "higher rates," and from thence forward the rates of premium of the State Fire Insurance Office and the private insurance companies have been alike.

I may here say that in my opinion the difference between the rates which now prevail and those which prevailed just prior to the advent of the State Fire Insurance Office represents, say, £200,000 per annum.

Though the prevailing rates of premium presumably are highly satisfactory to the insuring public in view of the fact that they are very much below what they were prior to the advent of the State Fire Insurance Office, nevertheless experience has shown that they are lower than they should be, and this fact has been very much impressed upon the private insurance companies whose competition has failed to make the State Fire Insurance Office lose heavily, as they anticipated, although necessarily their action reduced its profit results by some £12,000.

The Revenue Account and balance-sheet attached hereto show that after writing off £634 5s., one-quarter of the preliminary expenses, there remains a credit to Profit and Loss Account of £699 10s. 4d., and this result in my opinion is as satisfactory as could be expected in the circumstances.

J. W. BRINDLEY,
General Manager.

REVENUE ACCOUNT OF THE STATE FIRE INSURANCE OFFICE FOR THE YEAR ENDED 31st DECEMBER, 1906.

	£ s. d.		£ s. d.
Amount of Fire Insurance funds at the beginning of the year	481 10 2	Losses by fire (after deduction of reinsurances)	10,312 1 4
Premiums after deduction of reinsurances	20,962 8 0	Appropriated to reserve for unearned premiums	2,611 12 1
Other receipts—		Interest on capital guaranteed by the Government	72 10 0
Interest	28 18 9	Commissions	1,422 12 2
		Salaries	3,608 5 2
		Expenses of management—	£ s. d.
		Travelling-expenses	331 6 3
		Printing, stationery, and advertising	460 0 3
		Rent	480 9 4
		Exchange	10 7 9
		Postage and telegrams, cablegrams, and sundry charges	757 5 5
		Furniture written off	72 11 10
			2,112 0 10
		Preliminary expenses written off	634 5 0
		Amount of Fire Insurance funds at end of year	699 10 4
	<u>£21,472 16 11</u>		<u>£21,472 16 11</u>

29th June, 1907.

Examined and found correct.

J. K. WARBURTON, Controller and Auditor-General.

J. W. BRINDLEY,
General Manager.

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1906.

<i>Liabilities.</i>				<i>Assets.</i>										
Capital authorised by "The State Fire Insurance Act, 1903"	£	s.	d.	£	s.	d.	Agents' balances—	£	s.	d.	£	s.	d.	
Act, 1903 "	100,000	0	0				Head Office	70	6	6				
Less not raised	98,000	0	0				Auckland	183	1	2				
							Christchurch	98	11	10				
				2,000	0	0	Dunedin	100	19	0				
Reserve for unearned premiums				6,987	9	4								
Fire Insurance funds, as per Revenue Account				699	10	4	Outstanding premiums					452	18	6
Premiums and other deposits				369	17	7	Cash					3,082	17	1
Outstanding fire losses				300	0	0	Preliminary expenses					6,258	4	1
Other sums owing by the office—	£	s.	d.				Office furniture					1,268	10	3
Interest on capital	84	11	8									653	6	11
Reinsurance premiums due	1,274	7	11											
				1,358	19	7								
				£11,715	16	10						£11,715	16	10

29th June, 1907.

Examined and found correct.

J. K. WARBURTON, Controller and Auditor-General.

J. W. BRINDLEY,
General Manager.*Approximate Cost of Paper.*—Preparation, not given; printing (1,600 copies), £1 14s. 6d.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1907.

Price 3d.]