

1908.
NEW ZEALAND.

STATE FIRE INSURANCE OFFICE:

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1907.

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, 1907.

The year 1907 is the third financial year of the State Fire Insurance Office. The net income for the three years since the inauguration of the Department is as follows: 1905, £13,127 11s. 9d.; 1906, £20,962 8s.; 1907, £23,194 13s. It is therefore pleasant to be able to show that the insuring public has given the State Fire Insurance Office an increasing support each year.

The rates of premium during the whole of 1907 were the same as those which prevailed at the end of 1906.

That the rates of premium for fire insurance in New Zealand are too low is shown by the fact that the results attained by the State Fire Insurance Office on its operations during the past three years show a profit result of only £1,566 17s. 5d., after writing off £1,902 15s. and reserving £7,731 11s. for unearned premiums. The insuring public, however, have reaped the benefit of the reduced rates, seeing same approximately amount to £450,000 for the past three years.

The Revenue Account and Balance Sheet attached hereto show that after writing off £634 5s., being the third quarter of the preliminary expenses, and reserving an additional £744 1s. 8d. for unearned premiums, the Profit and Loss Account shows a credit balance of £867 7s. 1d., which I consider a very satisfactory result, seeing that same has been attained free of cost to the public, in the face of strong and active competitive opposition, and at rates which have during the whole period been the lowest in the world for similar risks.

In further support of my views respecting the inadequacy of the present rates of premium, I beg to point out that the State Fire Insurance Office now has to pay its *pro rata* share of the insurance companies' contributions towards the purchase and maintenance of fire brigades wherever same are established and operating under "The Fire Brigades Act, 1907," and this additional charge will range from 5 per cent. to 7½ per cent. of the premiums received at each centre where a fire brigade working under the Act is in operation.

J. W. BRINDLEY,
General Manager.