1910.
NEW ZEALAND.

STATE FIRE INSURANCE OFFICE:

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1909.

Presented to both Houses of the General Assembly pursuant to the provisions of the State Fire Insurance Act, 1908.

State Fire Insurance Office, Wellington, 2nd May, 1910.

I have to submit the accompanying copy of the Revenue Account and Balance-sheet of the State Fire Insurance Office for the year ended the 31st December, 1909.

The result of the year's operations shows a profit of £2,698 13s. 7d., which is a better result than that recorded in any previous year. In comparing this year's Revenue Account with that of previous years, it must be remembered that the amount appropriated to reserve to cover prospective losses payable out of unearned premiums was for the first three years 33⅓ per cent. of the net premiums, whereas for the last two years the amount reserved was 40 per cent. This, of course, reduces the net profit for 1909 as compared with that of previous years. The year 1908 resulted in a loss, and the debit balance, which at the end of that year stood at £4,140 3s. 1d., has now been reduced to £1,441 9s. 6d.

The chief features in the annual accounts presented are the very satisfactory increase in the net premium income and the low ratio of expenses to net premiums. The net premiums received show an increase in 1909 of 24·85 per cent. over 1908, and the ratio of expenses to premiums was only 30·5 per cent. in 1909 as against 38 per cent. in 1908. This must be considered a very low ratio, especially when it is remembered that the expenses include the statutory contributions to Fire Boards.

It will be remembered that the opening of the office in the year 1905 was the signal for a very considerable reduction in the rates charged throughout the Dominion, and although for the last year the office has been able to show a profit while working under these reduced rates, it should not be forgotten that for the year previous a substantial loss was made. The office is certain to experience unfavourable years in the future, as it has in the past, and it would therefore be unwise to gauge the adequacy or otherwise of the current rates by the result of the past year's operations alone.

G. F. C. Campbell,
General Manager.

Revenue Account of the State Fire Insurance Office for the Year ended 31st December, 1909.

	£ s. d.		£ s. d.	£ s. d.
Premiums after deduction of reinsurances	33,281 14 7	Balance from year 1908		4,140 3 1
Other receipts—Interest and commission	756 7 4	Losses by fire (after deduction of reinsurances)		18,534 12 0
Balance	1,441 9 6	Appropriated to reserve for unearned premiums (in addition to £10,663 0s. 8d. already reserved)		2,649 13 2
		Interest on capital raised guaranteed by the Government		72 10 0
		Commission		2,499 5 4
		Salaries		4,534 12 7
		Contributions to Fire Boards under the Fire Brigades Act, 1908		650 3 11
		Expenses of management—		
		Travelling-expenses ..	153 4 8	
		Printing, stationery, and advertising	427 1 1	
		Rent	716 13 4	
		Exchange	18 1 8	
		Postages and telegrams, cablegrams, and sundry charges	999 11 9	
		Furniture written off ..	83 18 10	
				2,398 11 4
	£35,479 11 5			£35,479 11 5

2nd May, 1910.

G. F. C. Campbell,
General Manager.

Examined and found correct.—Robert J. Collins, Controller and Auditor-General.

BALANCE-SHEET OF THE STATE FIRE INSURANCE OFFICE ON THE 31ST DECEMBER, 1909.

Liabilities.

	£	s.	d.	£	s.	d.
Capital authorised by the State Fire Insurance Act, 1908	100,000	0	0			
Less not raised	98,000	0	0			
				2,000	0	0
Reserve for unearned premiums ..				13,312	13	10
Premiums and other deposits				162	6	4
Outstanding fire losses				1,680	0	0
Other sums owing by the office—	£	s.	d.			
Interest on capital ..	48	6	8			
Reinsurance premiums due	2,355	13	3			
Commission	289	19	8			
Rent	213	7	6			
Printing, stationery, and advertising	5	16	2			
Postages and sundry charges	50	19	10			
				2,964	3	1
				£20,119	3	3

Assets.

	£	s.	d.	£	s.	d.	£	s.	d.
Investments—Government 4-per-cent. Debentures							10,000	0	0
Outstanding premiums							1,709	7	0
Interest accrued but not due							136	14	3
Cash in bank of New Zealand at Wellington, or in transit to Wellington ..				6,059	8	10			
Imprest account balances—	£	s.	d.						
Head Office ..	50	10	3						
Auckland ..	49	4	5						
Christchurch	16	19	8						
Dunedin ..	83	19	4						
Timaru ..	9	7	4						
Palmerston North	34	3	10						
New Plymouth	0	6	3						
				244	11	1			
							6,303	19	11
Office furniture							527	12	7
Balance of Revenue Account							1,441	9	6
							£20,119	3	3

2nd May, 1910.

G. F. C. CAMPBELL,
General Manager.

Examined and found correct.—ROBERT J. COLLINS, Controller and Auditor-General.

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