

1915.
NEW ZEALAND.

STATE FIRE INSURANCE OFFICE:

ANNUAL REPORT OF THE GENERAL MANAGER FOR THE YEAR ENDED 31st DECEMBER, 1914

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 June, 1915.

I HAVE the honour to present the tenth annual report on, and revenue and balance-sheet of, the State Fire Insurance Office.

The year 1914, I am pleased to be able to state, has proved a most successful one—in fact, it is the most successful experienced in the history of the Office. The progress made is exceedingly good, and the profits are beyond expectations. That all future years will be equally successful must not be expected; fire insurance is a hazardous business, and the history of all such businesses shows great fluctuations. Fortunately, the last few years have been free from serious conflagrations, but the inferior fire-resisting nature of most of our town and city buildings makes it almost certain that a serious conflagration will not be indefinitely postponed.

The Office has now accumulated very substantial reserve funds, and, although it may not show a profit every year, it is sufficiently strong to withstand any conflagration of a class hitherto experienced in this country without imperilling its financial stability, and without necessitating the calling-up of any of its authorized capital. To be able to make such a statement with confidence, after ten years' operations, in my opinion, augurs well for the future of the State fire-insurance business.

The position attained during 1914 is specially gratifying in view of the difficulties experienced owing to shortage of staff since the beginning of the war. Up to date 20 per cent. of our permanent staff have joined the Expeditionary Forces. The manner in which the balance of the staff have risen to the occasion and carried on the work of absent members is beyond praise. A very considerable amount of overtime has been occasioned, which has been cheerfully performed. The business being of a technical nature, requiring years of training, makes it impossible to fill most of the positions temporarily with such untrained labour as is available; but so far as it is possible to employ untrained labour it has been done.

Profits.—The net profits, after appropriating a further sum of £2,091 to unearned premiums and £1,000 to a special Investments Fluctuation Reserve, amounted to the sum of £18,660 1s. 2d., as against £15,443 10s. 2d. for 1913. The total accumulated profit at the close of the year was £60,564 17s. 6d.

Net Income.—The net income, including interest on investments, was £67,693 7s. 11d. The net premium income was £64,645 16s. 2d., as against £59,417 11s. 2d. for 1913, showing an increase of £5,228 5s.

Losses.—The net losses were £28,109 17s. 5d., as compared with £27,975 3s. 3d. for 1913, the ratio to premium income being 43·5 per cent. and 47·08 per cent. respectively.

Working-expenses.—The ratio of working-expenses was 27·5 per cent. for 1914 and 26·6 per cent. for 1913. Included in the charges are contributions to Fire Boards under the Fire Brigades Act, 1908, the amount expended under this heading for 1914 being £1,230 11s. 9d.

Reserve Funds.—At the close of 1914 the reserve funds amounted to £87,423 4s., against £65,671 16s. 10d. for the previous year. The investments stood at the close of the year at £68,996, compared with £44,250 for 1913.

C. R. C. ROBIESON,
General Manager.