1929.

NEW ZEALAND.

STATE FIRE INSURANCE OFFICE.

ANNUAL REPORT OF THE GENERAL MANAGER, FOR THE YEAR ENDED 31st DECEMBER, 1928.

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

State Fire Insurance Office, Wellington, 10th June, 1929.

I HAVE the honour to submit the twenty-fourth annual report of the State Fire Insurance Office, for the year ended 31st December, 1928, with the Revenue Account and Balance-sheet.

The following comparative figures for the last three years show the progress made :—

	1926.	1927.	1928.
	£	£	£
Income—			
Premiums	197,471	207,610	211,634
Other receipts	36,074	35,884	40,459
Outgo—			
Bonus rebate to policyholders	24,496	25,765	26,421
Claims	79,062	98,134	81,585
	Per Cent.	Per Cent.	Per Cent.
Ratio of claims to premium income	40·04	47·27	38·55
	£	£	£
Working-expenses (exclusive of income-tax and Fire Board contributions)	50,048	50,295	49,804
Fire Board contributions	5,304	6,903	7,283
Income-tax	15,073	11,957	9,789
	Per Cent.	Per Cent.	Per Cent.
Ratio of working-expenses (exclusive of income-tax and Fire Board contributions) to premium income	25·35	24·23	23·54
Ratio of Fire Board contributions to premium income	2·68	3·32	3·44
Ratio of income-tax to premium income	7·63	5·76	4·63
	£	£	£
Carried to reserve for unearned premiums	8,322	4,055	1,609
	£	£	£
Surplus, apportioned as follows—			
Reinsurance Reserve Fund	5,000	5,000	10,000
Bonus Rebate Reserve	1,500	1,500	1,000
Written off office premises	4,000	4,000	3,000
Reserve Fund	40,737	35,883	61,600
Total	£51,237	£46,383	£75,600
Reserves and funds at 31st December	£623,622	£670,061	£744,271

The new business available was less than in previous years. Reductions in the rating classification of several districts where the Office holds a large number of risks also affected the increase in premium income. The ratio of working-expenses to premium income, however, was lower than for the past fifteen years, and the surplus a record. In this connection it is particularly gratifying to be able to report that during 1928, when fire claims on all insurance offices rose in the aggregate to a figure little short of a million and a half sterling—the highest ever recorded—the State Fire underwriting results, on the whole, were more satisfactory than for years past.

Bonus Rebate.—This was fixed for 1928 at the same rate as for the previous year—viz., 12½ per cent. The cost of rebates to the Office up to the end of 1928 has been as follows :—

	£
Year ended 31st December, 1923	10,996
,, 1924	22,005
,, 1925	17,405
,, 1926	24,496
,, 1927	25,765
,, 1928	26,421
	£127,088

Income-tax.—It is not generally understood that the Office pays income-tax, although not quite on the same basis as insurance companies so far as reinsurances placed outside the Dominion are concerned. According to returns published by the Government Statistician, the State Fire Office has been for years past the largest fire-insurance taxpayer in the Dominion. For the five years ending 1927 the State Fire Office paid a total of £68,523 in income-tax, while the next largest total paid by any one office for the same period was £37,186. For 1927 (the latest year for which comparative figures have been published) the State Fire Office with 13·27 per cent. of the total fire premium income, provided no less than 35·09 per cent. of the total income-tax collected from all fire-insurance offices.

J. H. JERRAM, General Manager.