

STATE FIRE INSURANCE IN NEW ZEALAND.

New Zealand has entered upon a career of socialistic experiments which are, at least, interesting, though of very doubtful wisdom. The State is already conducting life assurance business, and a Bill has been introduced entitled, "An Act to establish a State Fire Insurance Office in New Zealand." The business is to be fire insurance and re-insurance in the colony, with power to effect re-insurances outside. The Governor-in-Council is to elect all the officers. A Board is to be appointed consisting of the manager, the public treasurer and tax commissioner, with two persons appointed by the Governor. The absolute management in all its details will be vested in this Board of State officials, with the exception of the appointment of the staff, which will be the privilege of the Governor-in-Council. As the Governor-in-Council will appoint three out of the five members of the Board and the other two will be State officials this State Fire Insurance scheme will, practically, be entirely in the control of the Governor-in-Council, which means the Government in power, so that, if the scheme is established, the entire management of fire insurance in New Zealand will be a monopoly of the dominant political party.

There is to be capital raised by issuing debentures or scrip to extent of \$1,250,000. If a deficiency arises a further sum of \$100,000 will be obtained in the same way, and more if needed. A Sinking Fund is provided for. When the debentures or stock are covered thereby the surplus is to be paid into a "State Fire Insurance Account." After 3 years half the profits are to form a Reserve Fund, and half to be distributed as bonuses triennially to insurers proportionately to their business.

Part II. of this Act is entitled, "Statutory Insurance of Buildings." This section provides for the insurance of the buildings in districts to be carried out pursuant to either "a special order in that behalf duly made by the Council of the district, or to a poll of the ratepayers duly taken." A poll would supersede the special order, but clause 54 reads:

"If such special order is not superseded, then this part of the Act shall be deemed to be adopted in the district at the expiration of one month after the date of the special order."

Directions are given as to the procedure in taking a poll, and a clause reads:

"No proposal shall be deemed to be carried unless a majority of the valid votes recorded are recorded in its favour, each ratepayer having one vote."

What is intended by the poll is revealed in clause 58 of Part II.

"In every district wherein this part of the Act has been adopted the following provisions shall apply. On or before such date as the Governor prescribes,

and triennially thereafter, the manager shall, according to the best of his skill and knowledge, prepare a roll to be called the "Fire Insurance Roll," to be so prepared as to show in separate columns, in respect of every building situate in the district, showing the owner's name etc.; the capital value; the insurable value; the annual rate and amount of premium payable in respect to the Statutory Insurance thereof; and whether the building is already insured, in what office, for what amount and date of expiry of current policy."

The decision of the manager is to be final as to classification, insurable value, rate and amount of amount of premiums. Owners are to be required to notify the manager of new erections, extensions, or anything affecting the risk. All these provisions foreshadow the following clause:

"Forthwith upon the coming into force of the Fire Insurance Roll in any district, and continuously thereafter, every building shown on such roll as not then insured elsewhere than under this Part of this Act shall, without the issue of any policy, be deemed to be insured in the State Fire Insurance Office."

Clause 61 declares that, in the case of buildings already insured:

"The provisions of last section shall apply forthwith upon the date of the expiry or cancellation of the then current policy, in no case later than 12 months after the first coming into force of the roll, at the expiration of such period of 12 months every such policy not then expired shall be deemed cancelled and the owner shall be entitled to a duly proportionate refund of premium for the unexpired term thereof from the company that issued the policy."

Other clauses provide for the adjustment of claims in case of assigned interests in policies, etc. All these clauses assume that, after the 12 months named above have expired, every building in the district is insured in the State Fire Insurance Office where the Council has issued a Special Order, or a poll has been taken resulting in a majority in favour of the State assuming the entire fire insurance of such district.

Surely the people of New Zealand will never tolerate such outrageous legislation. Fancy the whole fire insurance of an entire district, such as a City or County, being placed in the hands of a Government Board, and every owner of property compelled not merely to insure in the State fire office, but to insure for whatever amount the manager may fix as its insurable value! Fancy, too, the great English fire companies being, practically, forbidden to do any business in districts controlled by the State Fire Office! Fancy such a sweeping confiscation of vested interests, and the establishment of so extraordinary a scheme as the above being given into the power of a bare majority of a Town, City or County Council!