

1942.  
NEW ZEALAND.

# REPORT OF THE WAR DAMAGE COMMISSION

ESTABLISHED UNDER THE WAR DAMAGE ACT, 1941, FOR THE PERIOD  
ENDED 31st MARCH, 1942.

*Presented to both Houses of the General Assembly pursuant to the Provisions of the War Damage Act, 1941.*

Wellington, 15th February, 1943.

IN accordance with the provisions of section 18 of the War Damage Act, 1941, the following report and statement of accounts is presented on the operations of the War Damage Commission for the period ended 31st March, 1942:—

(1) Statutory members of the Commission are as follows:—

The Minister of Finance, Chairman,

The Secretary to the Treasury,

and the following were appointed members by His Excellency the Governor-General under section 4 (c) of the Act:—

Mr. J. H. Jerram, I.S.O., General Manager of the State Fire and Accident Insurance Office, Deputy Chairman,

Mr. G. E. Brangwin, General Manager for New Zealand of the Norwich Union Insurance Society, Ltd.,

Mr. Robert Caughley, General Manager for New Zealand of the Alliance Assurance Co., Ltd., and

Mr. William Stewart, Valuer-General.

Mr. T. L. Seator was appointed Secretary to the Commission.

The first meeting of the War Damage Commission was held on the 23rd December, 1941, and meetings as required have been held since that date.

(2) Regulations under the Act were gazetted on the 19th December, 1941, and authority was issued immediately to all insurance companies and offices undertaking liability under any contract of fire insurance to accept applications under section 15 of the Act, which provides for voluntary insurance.

The application of compulsory insurance under section 14 was deferred until the 1st March, 1942, in order to give the Commission and insurance companies time to establish the administration necessary for the collection of war-damage premiums as additions to all ordinary fire and motor comprehensive premiums. The work involved in this operation during the twelve months beginning on the 1st March, 1942, was expected to affect at least one million policies.

The statement of accounts given overleaf includes premiums due under section 14 as at the 31st March, but in accordance with the regulations such receipts were not payable to the Commission until the end of April.

(3) Immediately following the broadcast statement by the Minister of Finance (the Hon. Walter Nash) on the 19th December, 1941, that war-damage cover was available, there was an unprecedented rush by the public for insurance, and the offices of the War Damage Commission and of all fire-insurance companies were literally swamped with personal and postal applications which necessitated for a time hastily extemporized methods, and which almost excluded attention to normal insurance business.

The difficulties of the position were accentuated by staff difficulties in all offices due to the war, but with the willing co-operation of insurance executives and staffs throughout the Dominion and much overtime the demands of the public were met, and during the period under review no less than 631,400 applications were received and dealt with, the bulk of these during December and early part of January.

(4) The sum at the credit of the War Damage Fund at the close of the period under review was £743,575. There were no claims, but the contingent liability on the Fund, much of which is concentrated in congested business areas, is very heavy. If any one of the cities suffered an enemy attack or disaster through an explosion of munitions, the damage might very easily run into several million pounds in excess of receipts for some time to come.

(5) The Commission wishes to place on record its appreciation of the co-operation of insurance offices given free of any cost to the Fund. This service represents in money value alone many thousands of pounds, and has enabled the scheme to operate at trifling cost to the Fund in relation to the amount collected. At the 31st March, 1942, the expenses of the War Damage Office, including salaries of officers employed in the War Damage Office, equipment, overtime, rent, stationery, postages and telegrams amounted to £2,278, or 3 per cent. of the premiums received.

(6) The Commission also desires to express its thanks to the staff, and particularly to the Secretary, for assistance very cheerfully and ungrudgingly given during a period of particular stress and difficulty when the War Damage Office was in the process of establishment and at the same time was the centre of thousands of inquiries and applications from all parts of the Dominion.

J. H. JERRAM,  
Deputy Chairman.

WAR DAMAGE FUND.  
(Under War Damage Act, 1941.)

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD 19TH DECEMBER, 1941, TO 31ST MARCH, 1942.										
	£	s.	d.	£	s.	d.		£	s.	d.
Sections 15 and 17 premiums	744,644	9	9				Salaries	1,017	12	11
Less refunds	302	19	5				Printing, stationery, and office equipment	1,036	11	8
				744,341	10	4	Rent, fuel, light, postages, telegrams, and			
							sundry charges	224	6	8
Section 14 premiums				133,027	1	7	Balance of War Damage Fund	875,090	0	8

BALANCE-SHEET AS AT 31ST MARCH, 1942.

<i>Liabilities.</i>						<i>Assets.</i>					
			£	s.	d.			£	s.	d.	
War Damage Fund .. ..			875,090	0	8	Cash in Public Account to credit of War		743,575	15	4	
Sundry creditors .. ..			2,278	11	3	Damage Fund .. .. .		1,000	0	0	
						Imprest Account cash at bank .. ..		132,792	16	7	
						Section 14 premiums accrued but not due					
								£877,368	11	11	

T. L. SEATOR, Secretary.

Date: 31st December, 1942.

I hereby certify that the Income and Expenditure Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—CYRIL G. COLLINS, Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given; printing (550 copies), £2 10s.

1943  
NEW ZEALAND

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## REPORT OF THE WAR DAMAGE COMMISSION

ESTABLISHED UNDER THE WAR DAMAGE ACT, 1941, FOR THE  
YEAR ENDED 31st MARCH, 1943

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*Presented to both Houses of the General Assembly pursuant to the Provisions of the  
War Damage Act, 1941*

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Wellington, 19th May, 1943.

IN accordance with the provisions of section 18 of the War Damage Act, 1941, the following report and statement of accounts is presented respecting the operations of the War Damage Commission for the year ended 31st March, 1943:—

(1) Owing to military duties, Mr. G. E. Brangwin resigned his appointment as a member of the Commission on the 23rd April, 1942. Mr. W. B. McKenzie, General Manager for New Zealand of the United Insurance Co., Ltd., was appointed in his place. Otherwise the personnel of the Commission remained unchanged. During the year eighteen meetings of the Commission were held.

(2) An amendment to the War Damage Act, 1941, enlarging the definition of war damage to include—

Damage occurring (whether accidentally or not) as the direct result of measures taken under proper authority with a view to destroying any property for the purpose of preventing it from falling into the hands of the enemy or being used by the enemy

was passed by Parliament on the 11th May, 1942. Also an amendment to the War Damage Regulations was gazetted on the 24th February, 1943. This changed (a) the method of rating sums of less than £100 to a *pro rata* basis, and (b) the definition of a "month" to accord with ordinary fire-insurance practice. Each alteration effected some reduction in premiums payable.

(3) The premium income for the year amounted to £1,611,218 3s. 7d. Interest earned was £16,622 11s., and, after full provision had been made for claims and expenses, a net balance of £1,620,149 19s. 5d. was credited to the War Damage Fund, the total of which on 31st March, 1943, including the balance brought forward from the previous period, amounted to £2,495,240 0s. 1d.

(4) Administration expenses of the Commission for the year were £6,735 3s. = 0.418 per cent., or less than one-half of 1 per cent., of the net premium income. This exceptionally low working-cost has been made possible by the gratuitous services of insurance organizations. Members of the Commission also gave their services without remuneration.

(5) Twenty-nine claims for war damage were lodged, and settlements effected for a total of £955 12s. 2d.

(6) The aggregate amount insured under the Act, which now covers all property in the Dominion which is insured against fire, as well as other property insured voluntarily, is not less than £600,000,000. The Commission desires to point out that the liabilities of the Fund in several comparatively small areas which might be seriously affected in the event of an enemy attack or by an explosion of war munitions could exceed by several

million pounds the present total of the Fund. Because of this immense contingent liability the Commission, while fully appreciating the desirability of alleviating at the earliest date the burden which war damage premiums impose on the community, considers it would not be prudent to recommend the Government to effect a reduction in the premium earlier than after the close of the second compulsory year—viz., the end of February, 1944—provided the war position has not deteriorated in the meantime.

(7) The Commission has set up an organization for the receipt and assessing of claims which will operate immediately in the event of extensive war damage. The services of a Supervising Claims Adjuster have been retained, and lists have been prepared of suitable assessors for employment should occasion arise. In the first instance, after damage has been sustained, claimants should communicate with the insurance office through which war damage cover was effected.

(8) The number of insurance offices, companies, and brokers operating under the Act is forty-seven, and the co-operation of all these organizations in the administration of the legislation continues to be most helpful to the Commission.

(9) Consideration has been given to applications which have been made for a differential and lower rate for mobile property, but the Commission is of the opinion that no departure from a flat rate should be made. The basis of the scheme is that all owners of insurable property throughout the Dominion should subscribe to a common pool, without regard to geographical or other distinctions, in order that those who may be unfortunate enough to suffer property loss through enemy action will receive compensation.

J. H. JERRAM,  
Deputy Chairman.

WAR DAMAGE FUND  
(Under War Damage Act, 1941)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1943

	£	s.	d.	£	s.	d.		£	s.	d.
Sections 15 and 17 premiums	182,292	6	2				Claims .. .. .	955	12	2
Less refunds .. ..	40,450	12	9				Salaries .. .. .	4,497	8	7
				141,841	13	5	Overtime .. .. .	1,198	12	9
Section 14 premiums .. ..				1,469,376	10	2	Printing, stationery, and office equipment ..	335	8	4
Interest .. .. .				16,622	11	0	Rent, fuel, light, postages, telegrams, and sundry charges .. .. .	583	13	4
							Audit fee .. .. .	120	0	0
							Balance transferred to the War Damage Fund	1,620,149	19	5
				£1,627,840	14	7		£1,627,840	14	7

BALANCE-SHEET AS AT 31ST MARCH, 1943

Liabilities				Assets			
	£	s.	d.		£	s.	d.
Balance as at 31st March, 1942 .. .. .	875,090	0	8	Treasury bills .. .. .	2,250,000	0	0
Net income for year ended 31st March, 1943 ..	1,620,149	19	5	Interest on Treasury bills accrued but not due	1,777	16	2
				Cash in Public Account to credit of War Damage Fund .. .. .	69,802	11	3
				Section 14 premiums accrued but not due ..	173,659	12	8
					£2,495,240	0	1
					£2,495,240	0	1

6th May, 1943.

T. L. SEATOR, Secretary.

I hereby certify that the Income and Expenditure Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—CYRIL G. COLLINS, Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given ; printing (1,206 copies), £4.