

1945
NEW ZEALAND

REPORT OF THE EARTHQUAKE AND WAR DAMAGE COMMISSION

**ESTABLISHED UNDER THE EARTHQUAKE AND WAR DAMAGE ACT, 1944,
FOR THE YEAR ENDED 31st MARCH, 1945**

*Presented to both Houses of the General Assembly pursuant to the Provisions of the
Earthquake and War Damage Act, 1944*

Wellington, 29th June, 1945.

IN accordance with the provisions of section 23 of the Earthquake and War Damage Act, 1944, the following report with statement of accounts is presented for the year ended 31st March, 1945:—

(1) Since the last report the Earthquake and War Damage Act, 1944, has repealed the War Damage Act, 1941, and the War Damage Amendment Act, 1942, and revoked the Earthquake Damage Emergency Regulations 1944. Regulations under the new Act were gazetted on the 21st December, 1944. The legislation re-enacted the main administrative provisions of previous legislation and extended full State guarantee to the Fund. A leaflet outlining the provisions of the legislation for the information of the insuring public has been prepared, and will be available shortly.

(2) Mr. G. E. Brangwin, consequent on his removal to Australia, resigned from the Commission on the 31st January, 1945, and was replaced by Mr. W. B. McKenzie. Under the Act of 1944 the State Fire Insurance General Manager became an additional statutory member of the Commission as from the 1st January, 1945, when the Act came into force. During the year fourteen meetings of the Commission were held.

(3) The following comparative statement shows the figures for each period since the scheme came into operation on the 19th December, 1941:—

	Period 19th December, 1941, to 31st March, 1942.	Twelve Months ended, 31st March, 1943.	Twelve Months ended 31st March, 1944.	Twelve Months ended 31st March, 1945.
Income—	£	£	£	£
Premium	877,369	1,611,218	1,423,305	320,274
Interest .. .. .	..	16,623	57,469	99,516
Outgo—				
Claims .. .. .	..	956	55	82
Salaries	1,018	5,696	2,070	2,042
Other working-expenses ..	1,261	919	368	965
Discount to insurance offices ..	Nil	Nil	943	7,891
Audit fee .. .. .	..	120	100	75
Surplus	875,090	1,620,150	1,477,238	408,735
Total of Fund	875,090	2,495,240	3,972,478	4,381,213
Ratio per cent. of working-expenses to premium income	0.260	0.418	0.245	3.426
Ratio per cent. of working-expenses to total income	0.260	0.413	0.235	2.614

The reduced premium income is entirely due to the reduction in the rate for compulsory insurance from 5s. per cent. to 1s. per cent., which latter rate operated throughout the year. In the previous year the rate of 1s. per cent. applied for one month only.

Two claims for earthquake damage were admitted, after full investigation.

The payment of a discount at the rate of 2½ per cent. for collection of premiums applied throughout the year. Prior to the 1st March, 1944, this work was undertaken entirely gratuitously. Reduced premiums have also contributed to the rise in the percentage ratio of working-expenses to income. The surplus for the year was £408,734 15s. 7d., and the total of the Fund at the end of the year increased to £4,381,213.

(4) The survey of buildings referred to in the last annual report, which is being undertaken for the purpose of framing suitable insurance standards when sufficient data has been collected, is proceeding slowly, but the reports have already provided some valuable information as to the condition and resistance of buildings in the business blocks of Wellington. The Commission recognizes the urgency of completing the survey of buildings in areas which are considered most liable to shock, but more rapid progress is not possible until additional staff competent to undertake this expert work is available.

(5) A considerable amount of the time of the Commission has been occupied in dealing with applications for insurance under the voluntary provisions of the Act (section 15). Many of these applications refer to types of property not insured against fire, but which are liable to earthquake damage. Risks of this class which are considered acceptable have been charged differential rates by the Commission, acting under the authority of subsection (3) of section 15.

J. H. JERRAM, Deputy Chairman.

EARTHQUAKE AND WAR DAMAGE FUND

(Under Earthquake and War Damage Act, 1944)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1945

	£	s.	d.		£	s.	d.
Net premiums	320,273	15	6	Claims	81	14	11
Interest	99,516	9	2	Salaries and overtime	2,042	0	0
				Fees of members of Commission	125	0	0
				Expenses of management	915	12	3
				Discount allowed insurance offices	7,891	1	11
				Balance transferred to Earthquake and War Damage Fund	408,734	15	7
	£419,790	4	8		£419,790	4	8

BALANCE-SHEET AS AT 31ST MARCH, 1945

Liabilities				Assets			
	£	s.	d.		£	s.	d.
Balance as at 31st March, 1944	3,972,477	18	8	Government stock	4,270,000	0	0
Net income for year ended 31st March, 1945	408,734	15	7	Cash in Public Account to credit of Earthquake and War Damage Fund	48,070	15	10
	4,381,212	14	3	Interest accrued but not due	12,658	18	1
Discount due on accrued premiums	1,421	14	9	Premiums accrued but not due	57,152	4	6
Premium and other deposits	5,247	10	9	Sundry debtors	0	1	4
	£4,387,881	19	9		£4,387,881	19	9

19th June, 1945.

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.

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