The intention of the regulations is to give indemnity insurance against loss or damage by earthquake over all tangible property insured under—

(a) A fire policy :
(b) A houseowner's or householder's comprehensive policy :
(c) An earthquake fire policy :
(d) A baggage policy :
(e) A motor comprehensive policy :
(f) An all risks policy.

The cover is subject to the following conditions :—

(a) The Commission is not liable for the first £5 of damage occurring in a period of forty-eight consecutive hours as the direct result of earthquake (exclusive of earthquake fire):
(b) If the property is otherwise insured against earthquake, the cover attaches only in respect of so much of the loss as exceeds the amount to which the property is otherwise insured:
(c) The Commission is not liable if at any time prior to the commencement of the regulations any insurance office had refused to insure the property against earthquake or earthquake fire damage because of defects of construction, unless such defects of construction have subsequently been made good :
(d) The Commission is not liable if at any time before the occurrence of the damage a local authority has required any earthquake damage to the property to be made good, unless such requirement has been complied with :
(e) The Commission may cancel or reduce the insurance under the regulations if the property is insured excessively against earthquake damage or there are defects in the physical condition of the property.

The regulations authorize the reinsurance of the liabilities of the Fund. The Commission fully appreciates the desirability of relieving the scheme of disaster risks, if that can be done at a reasonable cost, and appropriate inquiries have been made, and are still proceeding, as regards suitable reinsurance.

The Commission proposes to undertake an expert survey of all buildings in what are judged to be the more hazardous areas, with a view to the later institution of workable insurance standards. This survey has already begun in the City of Wellington, but progress must be slow until the war ends, because of the difficulty in securing the services of qualified full-time Inspectors.

(5) Administration expenses were lower than in the previous year. Up to the 28th February, 1944, as a war contribution, all insurance organizations gave their services, with attendant administrative out-of-pocket expenses, free of all cost to the Fund. As, however, the scheme, on account of the inclusion of earthquake insurance, ceased to be a purely war measure on the 1st March, 1944, it was considered reasonable to allow insurance offices $2\frac{1}{2}$ per cent. on premiums collected as from that date. The amount payable for the month of March only appears in the accounts for the year under review.

(6) The Commission has pleasure in again acknowledging the excellent work of the Secretary and staff, and the continued helpful co-operation of insurance offices.

J. H. Jerram,
Deputy Chairman.

WAR DAMAGE FUND

(Under War Damage Act, 1941)

Income and Expenditure Account for the Year ended 31st March, 1944

	£ s. d.	£ s. d.		£ s. d.
Sections 15 and 17 premiums	106,681 9 6		Claims	55 6 3
Less refunds	23,625 0 11		Salaries and overtime	2,070 3 4
		83,056 8 7	Printing, stationery, and office equipment ..	85 0 0
Section 14 premiums		1,340,248 4 6	Rent, fuel, light, postages, telegrams, and sundry charges	282 13
Interest		57,469 7 10	Audit fee	100 0
			Commission	942 19 0
			Balance transferred to War Damage Fund ..	1,477,237 18 7
		£1,480,774 0 11		£1,480,774 0 11

Balance-sheet as at 31st March, 1944

Liabilities	£ s. d.	£ s. d.	*Assets*	£ s. d.
Balance as at 31st March, 1943	2,495,240 0 1		Government stock	3,800,000 0 0
Net income for year ended 31st March, 1944 ..	1,477,237 18 7		Cash in Public Account to credit of War Damage Fund	85,931 12 7
		3,972,477 18 8	Interest accrued but not due	13,840 19 5
Sundry creditors for commission		942 19 0	Section 14 premiums accrued but not due ..	73,648 5 8
		£3,973,420 17 8		£3,973,420 17 8

8th June, 1944. T. L. Seator, Secretary.

I hereby certify that the Income and Expenditure Account and Balance-sheet have been duly examined and compared with 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 (1,193 copies), £5

By Authority: E. V. Paul, Government Printer, Wellington.—1944.

Price 3d.]