

1949
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, 1949

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

Wellington, 10th June, 1949.

In accordance with the provisions of section 23 of the Earthquake and War Damage Act, 1944, the following report, with a statement of accounts, is presented for the year ended 31st March, 1949:—

(1) There was no change in the personnel of the Commission during the year. Twelve meetings of the Commission were held.

(2) The following is a comparative statement from 19th December, 1941, when the War Damage Act came into operation. As from the 1st March, 1944, earthquake insurance was included in the scheme:—

	Period 19th December, 1941, to 31st March, 1946.	Twelve Months Ended 31st March, 1947.	Twelve Months Ended 31st March, 1948.	Twelve Months Ended 31st March, 1949.
	£	£	£	£
Income—				
Premiums	4,598,027	410,065	494,938	540,704
Interest	278,333	94,860	129,957	129,591
Outgo—				
Claims	1,600	1,779	7,917	12,876
Salaries	12,861	2,162	2,493	2,643
Other working-expenses	5,104	2,166	1,410	1,665
Discount to insurance offices	17,567	9,965	11,843	13,573
Cost of exchange adjustment	Nil	Nil	Nil	339,525
Surplus	4,839,228	488,853	601,232	300,013
Total of fund	4,839,228	5,328,081	5,929,313	6,229,326
Ratio per cent. of working-expenses to premium income exclusive of discount to insurance offices	0.391	1.055	0.789	0.797

(3) Three hundred and forty-three claims on the Fund were lodged during the year, as compared with four hundred and one in the previous year and one hundred and thirty-four in the year before that.

Earthquake damage was claimed for in localities from Coromandel to Invercargill. Again the most damaging shock occurred in a rural area, where buildings are mainly of wood.

Earthquake shocks which resulted in numerous claims are listed as follows :

Date.	Location.	Modified Mercalli Scale Rating.	Number of Claims.
23rd May, 1948 ..	North Canterbury	Force VII	239
28th December, 1948	Wellington area	Force IV	18
10th February, 1949	Southern North Island and Northern South Island	Force VI	40

(4) The total of the Fund amounts to £6,229,326, including overseas investments of £(N.Z.)1,805,600, after deducting the cost of exchange adjustment between New Zealand and Great Britain.

(5) In pursuance of the policy of the Commission to obtain reinsurance against severe loss, negotiations in London have been completed for an excess loss contract of £1,656,000 at a rate of 5s. per cent., covering loss in any part of the Dominion. Practically all companies operating in New Zealand participated. The total is less than was aimed at, but it is hoped that continued negotiations will eventually provide a satisfactory extension.

(6) The Commission again expresses its appreciation of the work carried out by the Secretary and staff during the year.

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, 1949

	£	s.	d.	£	s.	d.		£	s.	d.
Premiums, less returns and reinsurance	..	..	..	540,704	6	9	Claims paid and outstanding	..	..	..
Interest	150,992	18	0				Salaries and overtime	12,876	8	11
Less premium and costs incurred in	..	..	..				Superannuation subsidy	2,643	2	3
purchase of Imperial stock ..	21,402	0	11	129,590	17	1	Fees of Members of Commission	43	9	2
							Expenses of management	307	15	0
							Discount allowed insurance offices	1,313	17	9
							Amount written off investments (alteration in exchange rate)	13,572	6	6
							Balance transferred to Earthquake and War Damage Fund	339,525	0	0
								300,013	4	3
								£670,295	3	10

