

(3) One hundred and thirty-four claims were lodged for damage by earthquake, as compared with eighty-two for the previous year.

The following localities in which damage occurred show how widely spread was the occurrence of earthquakes: Gisborne, Wairoa, Napier, Hastings, Raetihi, Maxwell, Palmerston North, Woodville, Eketahuna, Martinborough, Raumati, Wellington, Blenheim, Westport, Reefton, Otira, Greymouth, Hanmer, Christchurch, Lake Coleridge Area, Ashburton, Timaru, Queenstown, Oamaru, Lauder, and Dunedin.

Careful expert investigation of claims, which is always undertaken, revealed in a number of cases either that the damage occurred at some period prior to the operation of the scheme, or that the amount of the damage was less than the "franchise" provided under Condition 20 of the Schedule to the Earthquake and War Damage Regulations.

A great deal of misunderstanding appears to exist as to the limited cover afforded by the Fund, and claims are made for damage caused by natural forces, other than earthquakes, which are not covered by the Act. While there is every sympathy for sufferers whose claims have to be disallowed, neither the rate charged nor the state of the Fund would permit of any enlargement of liability. Earthquakes are by far the most serious cause of possible calamity to which the Dominion is exposed.

(4) The survey of buildings in Wellington business blocks, referred to in previous reports, will be completed shortly. Buildings reported on as showing unrepaired damage or having potentially hazardous features have been dealt with under the Earthquake Damage Emergency Regulations 1942, and in most cases, where the regulations provide the necessary authority, repairs or alterations have been or are being undertaken. Increased power would be necessary to deal effectively with buildings having defects which do not come within the scope of existing regulations.

(5) In compliance with the recommendations of the Commission, surpluses are being invested overseas; the total sum thus invested is £937,500 in New Zealand currency. For the investments it was necessary to purchase Imperial stock the value of which is shown at par in the balance-sheet. The difference between par and the market price in Great Britain has been charged against interest. This accounts for the reduced income from interest during the year.

(6) During the year the Deputy Chairman visited London in order to discuss with overseas reinsurers a scheme of reinsurance which was considered to be practicable and reasonable. Some progress was made, but not sufficient to warrant an agreement by the Commission. The matter is still under negotiation.

J. H. JERRAM, Deputy Chairman.

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