

New Zealand.

ANALYSIS.

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| <p>Title.</p> <ol style="list-style-type: none"> 1. Short Title. 2. Interpretation. 3. Definition of "Commissioner." 4. Power to appoint a Deputy Government Insurance Commissioner. 5. Triennial division of profits. | <ol style="list-style-type: none"> 6. Loans on policies. 7. Policyholders in Temperance Section may be transferred to other sections if abandoning total abstinence. 8. Division of profits as between General Section and Temperance Section of policyholders. |
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1890, No. 20.

- Title. AN ACT to further amend the Acts relating to Government Life Insurance. [10th September, 1890.]
- BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—
- Short Title. 1. The Short Title of this Act is "The Government Life Insurance Acts Amendment Act, 1890."
- Interpretation. 2. In this Act, if not inconsistent with the context,—
"The said Acts" mean "The Government Insurance and Annuities Act, 1874," as revived by "The Government Life Insurance Act, 1886," and include any Act amending the same and this Act and any regulations from time to time in force thereunder respectively.
- Definition of "Commissioner." 3. The expression "Commissioner," where used in the said Acts and any other Act relating to or affecting such Commissioner, means, and shall at all times be deemed to have meant, the Government Insurance Commissioner for the time being holding that office, as defined in the third section of "The Government Insurance and Annuities Act, 1874."
- Power to appoint a Deputy Government Insurance Commissioner. 4. The Governor may from time to time appoint a fit person to be the Deputy of the Commissioner, who shall be called the Deputy Government Insurance Commissioner; and the Governor may from time to time remove any such Deputy from his office, and appoint another fit person in his stead.
- Any Deputy so appointed shall act as such Deputy only in case of the illness, absence, or other temporary incapacity of the Commissioner, and while so acting shall have and may exercise all the powers, duties, and functions of such Commissioner, and shall act in his name and behalf.

Any provision in "The Government Insurance and Annuities Act, 1874," which is inconsistent with this enactment is hereby repealed.

5. From and after the thirty-first day of December, one thousand eight hundred and ninety, the period within which it shall be ascertained from time to time what, if any, is the net surplus of profits to be divided amongst holders of policies under the said Acts shall be three years instead of five years.

Triennial division of profits.

6. Notwithstanding anything contained in the said Acts, a loan to a holder of a policy issued under the said Acts or any of them may be made after the policy in respect of which the loan is made has been in force for two years before the date of such loan: Provided that in the case of a policy on which by its terms no future premiums are to be paid a loan may be made at any time after the issue of such policy.

Loans on policies.

7. All policyholders who are or at any time may be insured in the Temperance Section, and have failed or may hereafter fail to adhere to the principle of total abstinence from alcoholic or fermented liquors, except for sacramental purposes, shall be removed from the Temperance Section: Provided always that if it is proved to the satisfaction of the Commissioner that alcoholic or fermented liquors have been taken or administered in circumstances of extreme emergency, it shall be competent for the Commissioner to retain such policyholder in the Temperance Section.

Policyholders in Temperance Section may be transferred to other sections if abandoning total abstinence.

Such policyholders shall be divided into two classes: those whose prospects of longevity have not, in the opinion of the Commissioner, been impaired through use of alcoholic or fermented liquors, and whose habits would permit of their being insured in the General Section if they were proposing for new insurance, and those whose prospects of longevity have, in the opinion of the Commissioner, been impaired through the use of alcoholic or fermented liquors, or whose habits would not permit of their being insured in the General Section if they were proposing for new insurance: the former class shall be transferred to the General Section; the latter class shall be transferred to a separate section (hereinafter referred to as "the Non-profit Section") and shall be debarred from participation in future profits.

The Commissioner is hereby empowered to demand from time to time from policyholders insured in the Temperance Section declarations, and to obtain such other evidence with respect to their abstinence or otherwise from alcoholic or fermented liquors, in such form and at such times as the said Commissioner may think fit.

8. Upon any future division of surplus funds among policyholders under the said Acts the following provisions shall be read as part of section forty-five of "The Government Insurance and Annuities Act, 1874:"—

Division of profits as between General Section and Temperance Section of policyholders.

- (1.) The Actuary shall determine, to such degree of approximation as he deems practicable, how much, if any, of such divisible surplus has arisen from favourable mortality, and how much, if any, has arisen from other causes.
- (2.) With respect to the first-mentioned portion of such divisible surplus, he shall distinguish between the amount of

divisible surplus, if any, which has arisen from favourable mortality in the General Section of policyholders, and that which has arisen from favourable mortality in the Temperance Section of policyholders; and each of the amounts so ascertained shall be divided exclusively among the policyholders of the section in which the mortality corresponding to such amount has been experienced.

- (3.) The remainder of the divisible surplus shall be divided among participating policyholders according to such method as the Governor in Council shall determine, but irrespectively of the section, whether General or Temperance, to which such policyholders may belong: Provided that if, in the opinion of such Actuary, a loss has arisen through unfavourable mortality in either of the sections named, the amount of surplus to be divided amongst the policyholders of that section shall be diminished by the amount of such loss.

Any profit or loss arising from favourable or unfavourable mortality in the Non-profit Section shall be added to or deducted from the remainder of the divisible surplus hereinbefore mentioned.