



ANALYSIS

Title
Preamble
1. Short Title

2. Exemption from rule against perpetuities
3. Private Act

1997, No. 3—*Private*

An Act to exempt the Medical Assurance Society Members' Trust from the rule of law known as the rule against perpetuities (also known as the rule against remoteness of vesting) [1 October 1997]

WHEREAS—

- A. Medical Assurance Society New Zealand Limited (the Society) was established in 1921 by a group of medical practitioners for the purpose of providing insurance cover for the Society's members and was then incorporated as a company limited by guarantee without a share capital:
- B. Subsequently, in order to comply with a requirement that insurance companies have a share capital of at least \$100,000, a single share was issued by the Society to The Medical Association of New Zealand for \$100,000 to be held by it upon trust and the guarantee by members of the Society's liabilities was limited to \$100 for each member:
- C. The structure of the Society has created the ethos of a mutual association untrammelled by the need to satisfy shareholders seeking a return on their investment:
- D. Under the Companies Reregistration Act 1993 the Society is required to reregister as a company with shareholders and is not able to continue its present structure:

- E. In order to continue, after registering under the Companies Act 1993, as closely as possible the existing ethos of the Society, its members unanimously resolved in 1995 to establish the Medical Assurance Society Members' Trust (the Trust) and for the Society to issue to the Trust shares in the Society:
- F. The Trust now holds all the shares in the Society and the persons who were formerly members of the Society are now both members and beneficiaries of the Trust:
- G. Under the rule of the law known as the rule against perpetuities, and also known as the rule against remoteness of vesting, the Trust, if it is not to infringe that rule, must be wound up and its assets distributed within the perpetuities period (80 years):
- H. The restrictions imposed by the rule against perpetuities did not apply when membership was directly in the Society:
- I. In order to remain free of those restrictions, the trustees of the Trust wish to have the Trust exempted from the rule against perpetuities:
- J. The objects of this Act cannot be attained otherwise than by legislation:

BE IT THEREFORE ENACTED by the Parliament of New Zealand as follows:

1. Short Title—This Act may be cited as the Medical Assurance Society Members' Trust (Exemption from Perpetuities) Act 1997.

2. Exemption from rule against perpetuities—The trust known as the Medical Assurance Society Members' Trust, which was established by a deed of trust dated 1 November 1995, is not subject to the rule of law known as the rule against perpetuities (which rule is also known as the rule against remoteness of vesting).

3. Private Act—This Act is a private Act.
