



ANALYSIS

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1977, No. 74

An Act to amend the Mutual Insurance Act 1955

[25 November 1977

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title—This Act may be cited as the Mutual Insurance Amendment Act 1977, and shall be read together with and deemed part of the Mutual Insurance Act 1955 (hereinafter referred to as the principal Act).

2. Interpretation—Section 2 of the principal Act is hereby amended by repealing the definition of the term “Minister”, and substituting the following definition:

“‘Minister’ means the Minister of Justice.”.

3. Power of association to hold shares in companies—Section 11B of the principal Act (as inserted by section 3 (1) of the Mutual Insurance Amendment Act 1968, and amended by section 2 of the Mutual Insurance Amendment

Act 1971) is hereby further amended by repealing subparagraph (i) of paragraph (b) of subsection (1), and substituting the following subparagraph:

“(i) All members of that company, or all members thereof excepting 1, are associations or trustees of associations; and”.

4. Board of Directors—Section 30 of the principal Act is hereby amended by omitting from subsection (1) the expression “six nor more than twelve”, and substituting the expression “6 nor more than 14”.

5. Regional representation on Board of Directors—The principal Act is hereby amended by inserting, after section 30, the following section:

“30A. (1) Notwithstanding anything to the contrary in this Act except subsections (1), (3), (4), (5), (6), (9), (10), and (13) of section 30, an association may from time to time, by ordinary resolution, whether passed before or after the commencement of this section, adopt rules providing for the division of New Zealand into specified regions, and for the election and removal in every specified region of a director or specified number of directors of the Board of Directors of the association.

“(2) An association may in like manner amend or revoke any rules adopted under subsection (1) of this section.

“(3) No rules adopted under this section, and no amendment or revocation of any such rules, shall take effect until approved by the Governor-General by Order in Council.

“(4) All rules that are for the time being in force shall be binding on all persons who are for the time being members of the association by which they were adopted.”

6. Merger of associations—The principal Act is hereby amended by inserting, after section 31, the following section:

“31A. (1) Notwithstanding section 43 of this Act, the Board of Directors of any association shall have power to merge their association with another association, and to implement the merger by—

“(a) Causing their association to—

“(i) Transfer all the business, assets, property, premium notes, and policies of their association to the other association; or

“(ii) Accept the transfer of all the business, assets, property, premium notes, and policies of the other association; and

“(b) Executing and performing such acts, deeds, documents, and things as may be necessary or convenient to make or accept the said transfer and to put the merger into full force and effect,—

if at a general meeting of the association, whether held before or after the commencement of this section, three-quarters of the association’s members present and voting pass a resolution authorising the merger.

“(2) In the event of any such merger and transfer—

“(a) The business, assets, property, premium notes, and policies transferred from one association to another association shall pass to the transferee thereof subject to all charges, encumbrances, estates, and interests affecting the same; and

“(b) All liabilities of the transferor in respect of the business, assets, property, premium notes, and policies transferred under this section shall be deemed to be liabilities of the transferee thereof; and

“(c) All premium notes transferred from one association to another association shall have effect, from the time of their transfer, as if they had been made out in favour of the association to which they are transferred; and

“(d) All members of the association whose business is transferred to another association shall, upon the transfer, become members of the association to which the business is transferred.”

7. Act to be administered in Department of Justice—The principal Act is hereby amended by omitting the words “Public Trustee” in each place where they appear in sections 39 to 42, and substituting in each case the words “Secretary for Justice”.

This Act is administered in the Department of Justice.
