

Hon. Mr. Rolleston.

INSURANCE COMPANIES' DEPOSITS AMENDMENT.

ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. Interpretation.</p> <p>3. Deposits to be made by agents of underwriters.</p> <p>4. Application to agents and underwriters of provisions of principal Act relative to companies.</p> | <p>5. Insurance against loss from earthquake not within principal Act.</p> <p>6. Business of fire insurance defined. Schedule.</p> |
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A BILL INTITULED

AN ACT to amend the Insurance Companies' Deposits Act, 1921-22. Title.

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

1. This Act may be cited as the Insurance Companies' Deposits Amendment Act, 1927, and shall be read together with and deemed part of the Insurance Companies' Deposits Act, 1921-22 (hereinafter referred to as the principal Act). Short Title.

2. In this Act, unless the context otherwise requires,— Interpretation.

“Agent” means any person, firm, or company that negotiates or attempts to negotiate, or holds himself or itself out as having authority to negotiate, on behalf of any underwriter or underwriters, any contract of insurance of a class within the meaning of the term “insurance business” as defined by the principal Act:

“British underwriter” means an underwriter, as hereinafter defined, ordinarily resident in the United Kingdom, or in any of His Majesty's dominions or possessions other than New Zealand:

“Foreign underwriter” means an underwriter, as hereinafter defined, ordinarily resident in any foreign country:

“Underwriter” means a person named in a contract or policy of insurance as liable to pay or contribute towards the payment in whole or in part of the sum secured by such policy or contract, but does not include a company or other corporation.

3. (1) Every agent in New Zealand of a British underwriter or of British underwriters, in respect of any class of insurance business specified in the Schedule hereto, and every person who in New Zealand Deposits to be made by agents of underwriters.

acts as an underwriter in respect of any such class of insurance business, shall, in accordance with this section, deposit with the Public Trustee, in money, the sum specified in that Schedule in respect of that class of insurance business. Every such deposit made in respect of any class of insurance business shall be held as security in respect of all policies or other contracts of insurance of that class effected or negotiated by such agent or underwriter, as the case may be. 5

(2) Every agent in New Zealand of a foreign underwriter shall, in accordance with this section, deposit with the Public Trustee, in money, the sum of fifty thousand pounds, to be held as security in respect of all policies or other contracts of insurance effected or negotiated by such agent. 10

(3) In the case of agents or underwriters who at the passing of this Act are carrying on business as such, the deposit required by this section shall be made on or before the first day of January, nineteen hundred and twenty-eight. In every other case the deposit required by this section shall be made before the agent or underwriter concerned commences to act as such agent or underwriter. 15

Application to agents and underwriters of provisions of principal Act relative to companies.

4. Except as may be otherwise provided in this Act, the provisions of the principal Act shall apply with respect to agents and underwriters in New Zealand as if every such agent and underwriter were a company carrying on insurance business in New Zealand, and shall apply with respect to the deposits made pursuant to this Act as if the said deposits were made by a company carrying on business as aforesaid. 20 25

Insurance against loss from earthquake not within principal Act.

5. The definition of the term "insurance business" in section two of the principal Act is hereby amended by inserting, after paragraph (b) in the list of exceptions to the definition of that term, the following words: "and (c) Insurance against earthquake." 30

Business of fire insurance defined.

6. Any company carrying on insurance business that issues, or undertakes liability under, policies of insurance against loss by or incidental to fire, whether any such policy includes other risks or not, shall, for the purposes of the principal Act, be deemed to carry on the business of fire insurance, save that for the purposes of that Act a company carrying on the business of marine insurance shall not be deemed to carry on the business of fire insurance by reason only that loss by fire is one of the various risks covered by the marine policies issued by such company, and a company carrying on the business of insurance against earthquake shall not be deemed to carry on the business of fire insurance by reason only that it insures against loss by fire consequent on earthquake. 35 40

Schedule.

SCHEDULE.

DEPOSITS TO BE MADE BY AGENTS IN NEW ZEALAND OF BRITISH UNDERWRITERS.

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In respect of fire-insurance business	15,000
In respect of employers' liability insurance business	15,000
In respect of all other classes of insurance business	5,000