

Mr. Dive.

MUTUAL ACCIDENT INSURANCE.

ANALYSIS.

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A BILL INTITULED

AN ACT to enable Mutual Fire Insurance Associations to undertake Insurance against Accidents and certain other Insurance Risks. Title.

5 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 Mutual Accident Insurance Act, 1910. Short Title.

10 2. Any mutual fire insurance association incorporated under the Mutual Fire Insurance Act, 1908, may undertake the insurance of its members with respect to all or any of the following classes of insurance, that is to say :— Association may undertake accident insurance.

15 (a.) Insurance against accident resulting in loss of life or in bodily injury, or against disease, disability, or any change of physical or mental condition ;

(b.) Insurance or indemnity against employers' liability, whether under statutory law or common law ;

20 (c.) Insurance or indemnity against charges under section forty-one of the Workers' Compensation Act, 1908, taking precedence of mortgages, charges, or incumbrances lawfully existing ; and

25 (d.) Generally any contract in the nature of any of the foregoing whereby the benefit under the contract accrues payable on or after the occurrence of some contingent event.

Resolution to undertake insurance to be passed.

3. (1.) A mutual fire insurance association shall not undertake any of the said classes of insurance unless and until a resolution authorising the association so to do shall have been passed at a special meeting of the members thereof convened as required by the Mutual Fire Insurance Act, 1908.

(2.) At such meeting each member shall have the number of votes to which he is entitled under the said Act.

(3.) A certificate under the hand of the chairman of the association and the seal of the association certifying that any such resolution has been duly passed as required by this Act, and setting out a copy of such resolution, shall be conclusive evidence that the association is authorised to engage in the class or classes of insurance mentioned in such copy resolution.

(4.) An executed duplicate of every such certificate shall be filed with the Registrar or Assistant Registrar of Companies of the district in which the place of business of the association is situate.

Premiums.

4. Insurances under this Act shall be effected in consideration of the payment of premiums in the ordinary way of accident-insurance business, and such insurances shall not be effected on the premium-note principle (or the share principle).

Power to adopt tariff.

5. The board of directors of the association may adopt a tariff of rates for insurance under this Act, and may vary the same from time to time, and determine the sum to be insured with respect to any risk under this Act.

Mode of executing policies.

6. All policies of insurance under this Act issued by the board of directors of the association, sealed with the seal of the association, signed by the chairman, and countersigned by the secretary or acting-secretary, shall be binding on the association.

Power to reinsure.

7. The board of directors of the association may make arrangements with any insurance company for the reinsurance of any risks undertaken by the association under this Act on such conditions with respect to the payment of premiums or otherwise as may be mutually agreed upon.

Qualification of directors.

8. Insurances under this Act shall not be taken into account in fixing the qualifications of directors of the association.

As to voting-power.

9. The amount in which a member is insured under this Act shall be taken into account in manner provided in section ten of the Mutual Fire Insurance Act, 1908, in determining the number of votes to which he is entitled at meetings of the association specially convened and held for the purpose of making, amending, repealing, or re-enacting by-laws or regulations under this Act, but shall not be taken into account at any other meetings of the association.

Payment of claims and expenses, and application of profits.

10. Claims under policies of insurance issued under this Act, and the expenses of management of the insurance business undertaken under this Act, shall be paid out of the general funds of the association, and the net profits arising from such business shall form part of such general funds.

Members to be assessed for accident insurance losses.

11. In making assessments on premium notes or undertakings (or shares) issued in respect of fire insurances, charges may be made by the association in respect of losses or contemplated losses in connection with insurances effected under this Act.

12. All the property and assets of the association shall be liable for all losses that may arise in respect of any insurances effected under this Act, but no member of the association shall be liable for any such loss otherwise than upon and to the extent of the amount
5 unpaid upon his premium note or undertaking (or shares) issued in respect of fire insurance. Liability for losses.

13. Money lawfully borrowed by the association may be applied in payment of ascertained losses in connection with insurances effected under this Act as well as in payment of ascertained fire losses. Application of borrowed money.

10 14. The reserve fund authorised to be formed by the Mutual Fire Insurance Act, 1908, may be applied to pay off liabilities under this Act not met by ordinary receipts as well as the other liabilities of the association for payment of which such reserve-fund money may lawfully be applied. Reserve fund.

15 15. The provisions of the Accident Insurance Companies Act, 1908, shall, so far as applicable, and the necessary consequential amendments being deemed made therein, extend to every association that shall undertake insurances under this Act and to accident-insurance policies issued by every such association. Accident Insurance Companies Act, 1908, to apply.

20 16. (1.) The board of directors of the association may from time to time make, amend, repeal, and re-enact any by-laws or regulations (not manifestly inconsistent with this Act) for or in connection with the following matters:— By-laws.

25 (a.) The effecting of insurances under this Act, and the prescribing of the terms and conditions under which such insurances may be effected and renewed:

(b.) The transfer of policies:

(c.) The prescribing of forms of proposals, policies, renewal receipts, and other documents:

30 (d.) And generally for more effectually carrying out the provisions of this Act and for making provision as to any other matters that appertain to the business of any class of insurance authorised to be undertaken by this Act and are not contrary to law.

35 (2.) Provided that every by-law and regulation, and every repeal, amendment, or re-enactment thereof, shall be confirmed at a general meeting of the association specially convened and held for that purpose in the manner in which meetings of members are required to be convened and held by the Mutual Fire Insurance Act,
40 1908.

(3.) The production of a document purporting to be a copy of a by-law or regulation of the association made under this Act and to be sealed with the common seal of the association shall, until the contrary be proved, be evidence of such by-law or regulation, and
45 that the same has been duly made and confirmed as aforesaid.

17. (1.) The Governor may make regulations prescribing the form and manner in which the association shall prepare, authenticate, and deposit annual statements of the condition of the property and affairs of the association, and of the fire and accident
50 insurance business transacted by it. Regulations.

(2.) Such regulations shall have the same effect as if they were contained in this Act.