

MUTUAL FIRE INSURANCE AMENDMENT BILL.

EXPLANATORY MEMORANDUM.

By the Mutual Fire Insurance Act, 1908, owners or occupiers of "farm or isolated property" are empowered to form themselves into Mutual Fire Insurance Associations for the purpose of affording to and securing for one another mutual insurance against loss or damage by fire of "isolated buildings, and of household furniture, merchandise, machinery, farm-produce, and other commodities contained in such buildings".

It is doubtful, as the law at present stands, whether trustees can make use of this method of insurance (involving as it does a liability the extent of which cannot be ascertained at the time when the contract of insurance is effected). The purpose of the present Bill accordingly is to confer express authority on trustees to insure property with a Mutual Fire Insurance Association, and to undertake the liabilities incidental to the contract of insurance, to the same extent as if the trustees concerned were the beneficial owners of the property to be insured.

The Bill also provides that trustees who insure any property as aforesaid may likewise insure with the association against their liability to pay compensation or damages in respect of accidents that may happen to workers employed by them in connection with the trust estate.

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

*House of Representatives,
24th July, 1934.*

Hon. Mr. Young.

MUTUAL FIRE INSURANCE AMENDMENT.

ANALYSIS.

Title.
1. Short Title.

2. Trustees may enter into contracts of insurance with associations formed under principal Act.

A BILL INTITULED

AN ACT to amend the Mutual Fire Insurance Act, 1908. 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 Fire Insurance Amendment Act, 1934, and shall be read together with and deemed part of the Mutual Fire Insurance Act, 1908 (hereinafter referred to as the principal Act). Short Title. See Reprint of Statutes, Vol. IV, p. 22

2. (1) Notwithstanding anything to the contrary in the principal Act, it shall be lawful and shall be deemed at all times heretofore to have been lawful for a trustee to enter into contracts with an association under the principal Act for the insurance by that association against loss or damage by fire of any property held by the trustee in his capacity as such, and to execute any premium-note or give any other undertaking in respect thereof, to the same extent in all respects as if the trustee were the beneficial owner of the property insured. Trustees may enter into contracts of insurance with associations formed under principal Act.

(2) Subject to any regulations for the time being in force under section two of the Mutual Fire Insurance Amendment Act, 1913, any trustee who has entered into See Reprint of Statutes, Vol. IV, p. 36

a contract with an association under the principal Act for the insurance of any property in accordance with the *last preceding* subsection may, at any time while such contract of insurance remains in force, enter into a contract of indemnity or insurance with the same association 5 against his liability to pay compensation or damages in respect of accidents happening in the course of employment to any worker or workers employed by the trustee in relation to the trust estate.

(3) Every trustee who in accordance with the foregoing 10 provisions of this section enters into any contract of insurance or indemnity with an association under the principal Act shall, while such contract remains in force, be deemed to be a member of that association. Where a trustee has entered into contracts of insurance as aforesaid 15 in respect of property belonging to different estates, his voting-powers as a member of the association shall be determined separately in respect of each estate.

(4) For the purposes of this section the term "trustee" 20 includes an executor or administrator. No trustee shall be personally liable under any premium-note or other undertaking given by him for the purposes of any contract of insurance to which this section refers.