



ANALYSIS

Title
1. Short Title

2. Deposits by holding companies or
subsidiaries in certain cases

1977, No. 158

An Act to amend the Life Insurance Act 1908

[23 December 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 Life Insurance Amendment Act 1977, and shall be read together with and deemed part of the Life Insurance Act 1908 (hereinafter referred to as the principal Act).

2. Deposits by holding companies or subsidiaries in certain cases—The principal Act is hereby amended by inserting, after section 3, the following section:

“3A. (1) Where any company has ceased to carry on in New Zealand the business of life insurance; and

“(a) Another company, being its subsidiary or its holding company or another subsidiary of its holding company, proposes to carry on the same business as was previously carried on by the company that has so ceased; and

“(b) The Minister approves for the time being of such arrangements as are entered into for the purpose of protecting the interests of the policy holders of the company that has so ceased,—

then, until such time as the company that has so ceased, pursuant to section 12 of this Act, withdraws its approved securities deposited with the Public Trustee under section 3 of this Act, those approved securities shall for the purposes of sections 3 (2), 6A, and 10 of this Act be deemed to have been made by the said other company.

“(2) So long as the deposits of the company that has so ceased are deemed by this section to have been made by the said other company, the company that has so ceased shall not recommence to carry on the business of life insurance in New Zealand unless the company that has so ceased deposits with the Public Trustee approved securities equal in value to the deposits required under section 3 of this Act.

“(3) For the purposes of subsections (1) and (2) of this section, a company shall not be regarded as carrying on the business of life insurance by reason only that it receives premiums or other money or does other acts in respect of policies that have already been issued.

“(4) For the purposes of section 8 of this Act, the deposits deemed by this section to have been made by the other company referred to in subsection (1) of this section and any further deposits made by that other company under section 3 of this Act shall be held by the Public Trustee in trust for the policy holders of both that other company and the company that has ceased to carry on in New Zealand the business of life insurance until such time as the deposits deemed to have been made by that other company are withdrawn by the company that has so ceased under section 12 of this Act.

“(5) In this section—

“(a) The ‘business of life insurance’ means the carrying on of the business of insurance upon human life, or the grant of annuities, or of reinsurance in respect of policies of insurance upon human life or the grant of annuities; and

“(b) ‘Holding company’ and ‘subsidiary’ have the meanings assigned to them in section 158 of the Companies Act 1955 except that, for the purposes of this section, references to a company in the said section 158 shall be deemed to include an overseas company as defined in section 2 (1) of that Act.”