

EARTHQUAKE AND WAR DAMAGE AMENDMENT BILL

EXPLANATORY NOTE

IN view of the practice of insuring properties against fire for the cost of their replacement, which in many cases exceeds their present value, *clause 2* of this Bill provides that, where the value is certified by a registered architect or a registered valuer at the commencement of each period of insurance, the compulsory insurance against earthquake and war damage under section 14 of the Earthquake and War Damage Act, 1944, will be limited to the amount of the certified value, instead of being for the full amount of the fire insurance.

Clause 3 provides that a separate policy for the excess over the indemnity value of any property shall not be regarded as a contract of fire insurance for the purposes of the Act.

Hon. Mr. Fortune

EARTHQUAKE AND WAR DAMAGE
AMENDMENT

ANALYSIS

Title.	2. Amount of compulsory earthquake and war damage insurance in case of fire policies for replacement value.
1. Short Title.	3. "Contract of fire insurance" not to include separate "excess of indemnity" contract.

A BILL INTITULED

AN ACT to Amend the Earthquake and War Damage Act, 1944. 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 Earthquake and War Damage Amendment Act, 1951, and shall be read together with and deemed part of the Earthquake and War Damage Act, 1944 (hereinafter referred to as the principal Act). Short Title. 1944, No. 15

2. Section fourteen of the principal Act is hereby amended by adding to subsection one the following proviso:— Amount of compulsory earthquake and war damage insurance in case of fire policies for replacement value.

15 "Provided that where the Commission is satisfied that the contract of insurance provides for settlement of any claim for damage to or destruction of the property insured by fire upon a basis more favourable to the

1948, No. 63

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insured person than its indemnity value, and the indemnity value of the property insured is at the commencement of each period of the insurance certified by a registered member of the New Zealand Institute of Architects or by a valuer registered under the Valuers Act, 1948, the property shall be deemed to be insured under this section to the amount of the indemnity value so certified only.” 5

3. Section two of the principal Act is hereby amended by inserting in the definition of the expression “ contract of fire insurance ” in subsection one, after the words “ means a contract whereby any property is insured against loss or damage by fire ”, the words “ (not being a contract limited to an excess over the indemnity value of the property) ”. 10 15