

Hon. Mr. Ward.

FOREIGN INSURANCE COMPANIES' DEPOSITS.

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A BILL INTITULED

AN ACT relating to Foreign Assurance and Insurance Companies. Title.

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

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1. The Short Title of this Act is "The Foreign Insurance Companies' Deposits Act, 1894." Short Title.

2. In this Act, if not inconsistent with the context,—

Interpretation.

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"Accident insurance" means insurance against personal injury resulting from accident, and insurance under policies or contracts not extending over one year in duration against loss of life by accident:

No. 144—1.

“Approved securities” mean—

- (a.) Government securities of New Zealand ;
- (b.) Debentures issued or mortgages executed by any local authority within the colony, under any law now or hereafter in force, secured upon general or special rates, or upon real estate within the colony held in fee-simple ; 5
- (c.) Mortgages on the security of any real estate held in fee-simple within the colony and free from all encumbrances : Provided that no mortgage be for an amount exceeding one-half of the value of the security therefor ; 10
- (d.) Real estate held in fee-simple within the colony and free from all encumbrances ;

or any of such securities.

“Company” means any association, person, or persons, corporate or unincorporate, registered or established for the purpose of carrying on (whether concurrently or not with any other class of business) any one or more of the following classes of insurance business, that is say,—the business of (1) life assurance, or (2) fire and marine insurance concurrently, or (3) fire insurance only, or (4) marine insurance only, or (5) accident insurance, or (6) insurance of any class not hereinbefore mentioned ; and includes mutual associations as well as proprietary ; but does not include the Government Insurance Department established under “The Government Insurance and Annuities Act, 1874” : 25

“Foreign company” means a company, as hereinbefore defined, registered or established out of the colony, and includes a local company whose chief office is situate out of the colony : 30

“Life assurance” includes endowment and annuity contracts, but does not include insurance against loss of life by accident, except where such insurance is effected by policies or contracts extending over a longer period than one year : 35

“Local company” means a company, as hereinbefore defined, registered or established within the colony.

PART I.

LIFE ASSURANCE COMPANIES.

Foreign life assurance companies to deposit with Public Trustee £50,000.

3. (1.) Every foreign company which proposes to commence within the colony after the passing of this Act the business of life assurance, whether conjointly or not with any other class of business, shall, before commencing such life assurance business, deposit with the Public Trustee the sum of *fifty* thousand pounds in cash or approved securities. 40 45

(2.) Every foreign company which at the time of the passing of this Act is carrying on the business of life assurance within the colony, whether conjointly or not with any other class of business, shall, if it be intended to continue to carry on such life assurance business within the colony, deposit with the Public Trustee within six months from the passing of this Act the sum of *fifty* thousand pounds in cash or approved securities. 50

(3.) Every deposit of approved securities made with the Public Trustee under this section shall be deemed to be a compulsory deposit of securities within the meaning and for the purposes of "The Life Assurance Companies Act, 1873," which shall be read
5 and construed for all purposes as if the deposits of approved securities required by this section were required by that Act.

(4.) Every such deposit is a deposit under Part I. of this Act.

4. (1.) From and after the passing of this Act no foreign company with limited liability shall commence to carry on the business
10 of life assurance within the colony.

No foreign company with limited liability to carry on life assurance.

(2.) No foreign company with limited liability, which at the time of the passing of this Act is carrying on the business of life assurance within the colony, shall continue to carry on such business
15 within the colony after the expiration of six months from the passing of this Act.

PART II.

FIRE AND MARINE INSURANCE COMPANIES.

5. (1.) Every foreign company which proposes to commence within the colony after the passing of this Act the business of
20 (a) fire insurance, or (b) marine insurance, or (c) fire and marine insurance, shall, before commencing any such business, deposit with the Public Trustee, in cash or approved securities, the sum of *ten* thousand pounds.

Foreign fire or marine insurance companies to deposit with Public Trustee £10,000.

(2.) Every foreign company which at the time of the passing of
25 this Act is carrying on any such business as aforesaid within the colony shall, if it be intended to continue to carry on such business within the colony, deposit with the Public Trustee, in cash or approved securities, within six months from the passing of this Act, the sum of not less than *five* thousand pounds nor more than *ten*
30 thousand pounds, calculated according to the scale in the *First* Schedule hereto.

(3.) Every such deposit is a deposit under Part II. of this Act.

PART III.

ACCIDENT AND MISCELLANEOUS INSURANCE COMPANIES.

6. (1.) Every foreign company which proposes to commence
35 within the colony, after the passing of this Act, the business of accident insurance or insurance of any class not hereinbefore mentioned shall, before commencing such business, deposit with the Public Trustee the sum of *ten* thousand pounds in cash or approved
40 securities.

Foreign accident and miscellaneous insurance companies to deposit with Public Trustee £10,000.

(2.) Every foreign company which at the time of the passing of
this Act is carrying on any such business as last aforesaid within the colony shall, if it be intended to continue to carry on such business within the colony, deposit with the Public Trustee, in cash or
45 approved securities, within six months from the passing of this Act, the sum of not less than *five* thousand pounds nor more than *ten* thousand pounds, calculated according to the scale in the *Second* Schedule hereto.

(3.) Every such deposit is a deposit under Part III. of this Act.

PART IV.

GENERAL.

Foreign company not required to make more than one deposit.

Receipt of premiums in respect of past contracts only not deemed a continuance of business.

Where deposits under maximum further deposits to be made as business increases.

Four per cent. interest to be paid on deposits.

Foreign company to receive income from deposits.

Deposits may be changed for others of equal value.

Loss, &c., of securities to be made good out of moneys appropriated.

Deposits to be held in trust for policy-holders.

7. No foreign company making the prescribed deposit under any one Part of this Act shall be required to make the prescribed deposit under any other Part thereof.

8. No foreign company shall be deemed to continue to carry on business within the colony after a specified date by reason only of receiving premiums or other moneys, or liquidating liabilities, or doing acts after that date in respect of policies or other contracts granted or made before that date.

9. (1.) If in any case the deposit made by any foreign company pursuant to subsection *two* of sections *five* or *six* of this Act, within the time therein limited, do not amount to the maximum sum thereby prescribed, then further deposits shall be made half-yearly thereafter, according to the scale in the said *First* or *Second* Schedule, as the case may be, until the maximum sum is reached.

(2.) For the purpose of ascertaining the amounts of such further deposits as aforesaid, every such foreign company shall, until it has deposited the prescribed maximum sum, send in to the Colonial Treasurer half-yearly, from and after the passing of this Act, a return, verified by the statutory declaration of the attorney or agent of the company within the colony, showing the total amount covered by all policies current at the end of such half-year, and that amount shall be deemed the "total amount covered by current policies" within the meaning of the Schedules hereto.

10. All cash deposited with the Public Trustee under this Act shall bear interest at the rate of *four* pounds per centum per annum, and the Public Trustee shall pay the same accordingly.

11. Every foreign company which has made any deposit with the Public Trustee under this Act shall be entitled to receive from time to time the income arising from such deposit.

12. (1.) Every foreign company which has made deposit of approved securities with the Public Trustee under this Act may withdraw from his custody any such securities so deposited on depositing with him approved securities of an equal value, and any such substituted securities shall for all purposes be treated as securities originally deposited.

(2.) The Board appointed under "The Public Trust Office Act, 1872," shall, in any case of original or substituted deposit of approved securities, be the sole judge of the value of such securities for the purposes of such deposit, and its decision shall be final and conclusive on the depositor.

13. If, whilst any securities are deposited under this Act with the Public Trustee, they be lost, stolen, destroyed, or damaged, the injury sustained by the depositor, or by any other person interested therein, shall be made good out of moneys to be appropriated for the purpose by the General Assembly.

14. (1.) Subject to the provisions of this Act, but without prejudice to the special trust in favour of life assurance policies registered, or to be registered, under the provisions of section nine of "The Life

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Assurance Companies Act, 1873," the Public Trustee shall, as to every deposit made under this Act, hold the same in trust for policyholders or claimants in respect of policies or other contracts issued, granted, or entered into in the colony by the foreign company making
 5 such deposit, whether such policies or contracts have been granted or entered into before or after the passing of this Act :

10 Provided that the deposit made under any one Part of this Act shall be held in trust exclusively for policyholders and claimants as aforesaid, in respect of the particular class of insurance business referred to under that Part.

(2.) Until all the obligations of such foreign company as aforesaid in the colony in respect of such policies or contracts as aforesaid are cancelled, annulled, or liquidated, such deposit shall not be liable to be attached or levied upon, or be subject to any debts of or claims
 15 against such company, without the previous consent in writing of the Colonial Treasurer, who may give his consent on such terms and conditions as he may think equitable, having regard to the interests of the persons in trust for whom such deposits are held by the Public Trustee.

Not to be liable for debts of company without consent.

20 15. (1.) If any foreign company which has made any deposit with the Public Trustee under this Act ceases to carry on business in the colony, such company may withdraw such deposit—

Conditions under which deposits may be withdrawn.

(a.) On the expiration of six months after service upon the Public Trustee of a notice in writing, duly signed on behalf of the company, stating that the company has
 25 ceased to carry on business in the colony, and proposes to withdraw such deposit ; and

(b.) On satisfying the Public Trustee that from the date of the service of such notice the company has not, except as to policies or contracts granted or made before such date,
 30 carried on business in the colony ; and

(c.) On satisfying the Public Trustee that all the liabilities of the company in the colony are fully liquidated or provided for.

35 (2.) The Public Trustee shall cause every such notice as aforesaid, and also his decision with regard to every such proposed withdrawal, to be published at the cost of the company in such manner as he may think fit.

40 16. If any foreign company makes default in duly and fully complying with any of the requirements of this Act affecting such company, then in every such case, if no other penalty is elsewhere expressly provided, such company, and also its attorney, general agent, and other agent are respectively and severally liable to a penalty of not less than *five* pounds nor more than *fifty* pounds for
 45 every day during which such default continues.

Penalty on default in complying with terms of Act.

50 17. If any such default as aforesaid be continued for a period of three months the Colonial Treasurer may, by notice published in the *New Zealand Gazette*, prohibit the defaulting company from carrying on business in the colony either absolutely or for such time as he may declare.

If default continues company may be prohibited from carrying on business.

18. If any such foreign company as aforesaid, or any person as attorney, general agent, or other agent of such company or otherwise for or on behalf of such company, after the publication of such notice

Further penalty for carrying on business after notice prohibiting.

as last aforesaid, receives any application for insurance, or accepts any premium for insurance, or otherwise carries on the business of such company within the colony, then, in addition to and irrespective of the penalty specified in section *sixteen* of this Act, such company and person are respectively and severally liable to a penalty of *one hundred* 5 pounds for each and every act done in breach of this provision.

19. All penalties imposed by this Act are recoverable in a summary way.

20. The Public Trustee shall, within thirty days after the beginning of each session of Parliament, prepare and lay before 10 Parliament a statement made up to the date of the beginning of the session, and showing as to each foreign company making deposit under Parts II. or III. of this Act the nature and value of the securities so deposited.

21. This Act shall be read with "The Life Assurance Companies 15 Act, 1873."

Penalties recoverable in summary way.

Statement of nature and value of securities to be laid before Parliament.

This Act to be read with "Life Assurance Companies Act, 1873."

Schedules.

SCHEDULES.

FIRST SCHEDULE.

WHERE the total amount assured by current policies does not exceed £20,000, a deposit of £5,000; for every additional £20,000 of assurance, an increase of £1,000 in the deposit, until the total sum deposited amounts to £10,000.

SECOND SCHEDULE.

WHERE the total amount assured by current policies does not exceed £20,000, a deposit of £5,000; for every additional £20,000 of assurance, an increase of £1,000 in the deposit, until the total sum deposited amounts to £10,000.