

## GOVERNMENT LIFE INSURANCE AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill makes miscellaneous amendments to the Government Life Insurance Act 1908.

*Clause 2* enables the Governor-General by Order in Council to authorize the Government Insurance Commissioner to create general and special reserve funds and to prescribe the purposes for which those funds may be used.

*Clause 3:* Section 27 of the principal Act prescribes the securities in which moneys in the Government Insurance Account may be invested. Section 29 empowers the Governor-General by Order in Council to prescribe other securities in which moneys in the Account may be invested. The purpose of this clause is to enable an Order in Council under that section to authorize investments in company stocks, shares, or debentures.

*Clause 4:* Section 30B of the principal Act authorizes the Commissioner to purchase motor cars for resale to officers of the Department on such terms as the Commissioner thinks fit. The purpose of this clause is to provide that cars purchased under this provision must be purchased through normal retail channels, they must be resold only to employees whose duties necessitate the use of a car, and the terms of resale are to be determined by the Minister of Finance.

*Clause 5* re-enacts in an amended form the existing provisions relating to the Government Insurance Investment Board. The constitution of the Board is altered, its functions, which at present are restricted to matters relating to investments upon mortgage of land, are to be extended to relate to all investments of the Government Insurance Fund, and the procedure of the Board is specified in greater detail.

*Clause 6* provides for the passing of resolutions of the Board by entries in its minute book signed by at least three members of the Board or their deputies. An analogous provision relating to company resolutions appears in section 300 of the Companies Act 1933.

*Clause 7* authorizes the Board to delegate its powers to the Government Insurance Commissioner.

*Clause 8* re-enacts in an amended form the provisions of section 33 of the principal Act, which provides that no loan upon mortgage of land is to be made except by unanimous vote at a meeting of the Board. The new section applies to investments generally, and enables investments to be made by majority vote provided the Minister or the Commissioner or his deputy has voted in favour of the investment.

*Hon. Mr. Fortune*

## GOVERNMENT LIFE INSURANCE AMENDMENT

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| Title.  | ANALYSIS  |
|---|---|
| 1. Short Title.   | 5. Government Insurance Investment Board. Repeal.             |
| 2. Creation of general and special reserves.  | 6. Passing of resolutions of Board by entries in minute book. |
| 3. Investment of moneys in Government Insurance Account in stocks, shares, and debentures.    | 7. Board may delegate its powers to Commissioner.             |
| 4. Amending provisions as to purchase of motor cars for resale to officers of the Department. | 8. How investments are to be agreed to.                       |

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### A BILL INTITULED

AN ACT to amend the Government Life Insurance Act 1908. 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 Government Life Insurance Amendment Act 1951, and shall be read together with and deemed part of the Government Life Insurance Act 1908 (hereinafter referred to as the principal Act). Short Title.  
See Reprint of Statutes Vol. IV, p. 56

2. Section seven of the principal Act is hereby amended by inserting in subsection one, after paragraph (h), the following paragraph:— Creation of general and special reserves.

“(hh) Authorize the creation of general and special reserves and prescribe the purposes for which those reserves may be used:”

Investment of moneys in Government Insurance Account in stocks, shares, and debentures.

Amending provisions as to purchase of motor cars for resale to officers of the Department. 1949, No. 39

Government Insurance Investment Board.

3. Section twenty-nine of the principal Act is hereby amended by adding the following subsection as subsection two thereof:—

“(2) For the purposes of this section the term ‘ securities ’ includes stocks, shares (whether preference or otherwise), and debentures in any corporation incorporated in New Zealand by or under any Act.”

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4. (1) Section thirty B of the principal Act (as enacted by section nine of the Finance Act 1949) is hereby amended as follows:—

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(a) By omitting from subsection one the words “ officers of the Department ”, and substituting the words “ employees of the Department whose duties necessitate the use of a motor car ”:

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(b) By omitting from subsection one the words “ on such terms as the Commissioner thinks fit ”, and substituting the words “ on such terms and conditions as the Minister of Finance from time to time directs ”.

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(2) Section thirty B of the principal Act is hereby further amended by adding the following subsection:—

“(3) Motor cars may be purchased under the authority of this section only from persons engaged in selling motor cars by retail.”

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5. (1) The principal Act is hereby amended by repealing section thirty-two, and substituting the following section:—

“ 32. (1) For the purpose of controlling and managing investments of the Government Insurance Account (other than investments in securities of the Government of New Zealand or loans to holders of policies) there is hereby constituted a Board to be known as the Government Insurance Investment Board, which shall consist of—

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“(a) The Minister in Charge of the Department:

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“(b) The Government Insurance Commissioner:

“(c) The Secretary to the Treasury:

“(d) The Public Trustee:

“(e) The Valuer-General:

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“(f) One other person to be appointed by the Governor-General in Council.

“(2) The member appointed under paragraph (f) of subsection *one* of this section shall, unless he is sooner removed from office by the Governor-General in Council or sooner resigns or vacates his office under subsection 5 *three* of this section, hold office for a period of two years, and may be reappointed.

“(3) If the member appointed under paragraph (f) of subsection *one* of this section is absent without leave of the Board from three consecutive meetings of the 10 Board, except by reason of sickness, he shall be deemed to have vacated his office on the Board.

“(4) The member appointed under paragraph (f) of subsection *one* of this section, not being a person employed in the Government Service, shall be paid such 15 salary or other remuneration as the Minister of Finance from time to time directs, and shall be paid out of moneys appropriated by Parliament for the purpose.

“(5) The powers of the Board shall not be affected by any vacancy in the membership of the Board.

20 “(6) At any meeting of the Board three members shall form a quorum.

“(7) The Minister in Charge of the Department shall preside at all meetings of the Board at which he is present.

25 “(8) In the absence from any meeting of the Board of the Minister in Charge of the Department, he may request any other Minister of the Crown to attend the meeting in his stead, and any such other Minister so attending shall act as the Chairman in respect of that 30 meeting, and shall have and may exercise all the powers and functions of the Chairman for the purposes of that meeting.

“(9) If the Minister in Charge of the Department is absent from any meeting of the Board and no other 35 Minister attends the meeting in his stead, the members present may choose one of their number to be the Chairman for the purposes of that meeting.

“(10) In the absence from any meeting of the Board of any other *ex officio* member of the Board, any officer 40 of his Department appointed by him may attend the meeting in his stead. While any person is attending a meeting of the Board pursuant to this subsection, he shall be deemed for all purposes to be a member of the Board.

“(11) The fact that any person attends a meeting of the Board under subsection *eight* or subsection *ten* of this section shall be sufficient evidence of his authority to do so.

“(12) Subject to the proviso to section thirty-three of this Act, every question before the Board shall be determined by a majority of the votes of the members present and voting at the meeting of the Board. 5

“(13) Subject to the proviso to section thirty-three of this Act, the Chairman shall have a deliberative vote and, in the case of an equality of votes, a casting vote also. 10

“(14) Subject to the provisions of this Act and of any regulations thereunder, the Board may regulate its procedure in such manner as it thinks fit.” 15

Repeal.  
1947, No. 6

Passing of  
resolutions  
of Board by  
entries in  
minute book.

(2) Section thirty-three of the Finance Act 1947 is hereby repealed.

6. The principal Act is hereby further amended by inserting, after section thirty-two, the following section:— 20

“32A. (1) Anything that may be done by resolution passed at a meeting of the Board may be done by the Board without a meeting by means of an entry in its minute book signed by at least three of its members entitled to vote at a meeting of the Board. 25

“(2) Any such entry may be signed on behalf of a member by his deputy if at the time of the signing thereof the deputy would have been entitled to attend and act at a meeting of the Board in the absence of the member if a meeting had then been held, and the fact that a deputy signs an entry shall, in the absence of proof to the contrary, be sufficient evidence that he was so entitled. 30

“(3) For the purposes of this section a memorandum pasted or otherwise permanently affixed in the minute book and purporting to have been signed for the purpose of becoming an entry therein shall be deemed to be an entry in the minute book, and any such entry may consist of several documents in like form each signed by one or more members or their deputies. 35 40

“(4) The Commissioner shall report to and lay before the Board at each meeting all entries made in the minute book in accordance with this section since the previous meeting of the Board.”

7. The principal Act is hereby further amended by inserting, after section thirty-two A (as enacted by the last preceding section) the following section:—

Board may delegate its powers to Commissioner.

5 “32B. (1) The Board may from time to time by resolution delegate any of its powers to the Commissioner, either as to matters within its jurisdiction generally, or in any particular case or matter, or any particular class of cases or matters:

10 “ Provided that the Board shall not delegate to the Commissioner power to invest moneys in the Government Insurance Account in the stocks, shares, or debentures of any corporation:

15 “ Provided also that where the Board so directs the Commissioner shall report to the Board at its next meeting any acts of authority exercised by him pursuant to any such delegation.

20 “(2) Subject to any general or special directions given by the Board, the Commissioner may exercise any powers so delegated to him in the same manner and with the same effect as if they had been directly conferred on him by this Act and not by delegation.

25 “(3) Where the Commissioner purports to act under any delegation under this section he shall, in the absence of proof to the contrary, be presumed to be acting within the terms of the delegation.

“(4) Any such delegation may be at any time revoked by the Board, in whole or in part, but that revocation shall not affect in any way anything done under the delegated authority.

30 “(5) No such delegation shall prevent the exercise by the Board itself of any of its powers under this Act.”

8. The principal Act is hereby further amended by repealing section thirty-three, and substituting the following section:—

How investments are to be agreed to.

35 “33. Except where the Board has delegated its powers in that behalf to the Commissioner, investments of the Government Insurance Account (other than investments in securities of the Government of New Zealand or loans to holders of policies) shall be made  
40 only pursuant to a resolution of the Board:

“ Provided that no such investment shall be made unless the Minister or his deputy or, if the Minister or his deputy has not voted on the resolution, the Commissioner or his deputy votes in favour of the resolution  
45 to make the investment.”