

## GOVERNMENT LIFE INSURANCE AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill makes miscellaneous amendments to the Government Life Insurance Act 1953.

*Clause 2* re-enacts in an amended form the provisions of section 8 of the principal Act, which authorises the Commissioner to delegate his powers. The new provision gives him wider powers of delegation, the principal extension being that the authority to delegate is not restricted to the powers conferred on the Commissioner by Part II of the Life Insurance Act 1908 but is extended to all his powers.

*Clause 3* re-enacts in an amended form the provisions of section 22 (2) of the principal Act relating to the banking of money in the Government Insurance Account, the only change being that, instead of the requirement that cheques on that account must be signed by the Commissioner and countersigned by or on behalf of the Controller and Auditor-General, they may be signed by the Commissioner or by some employee of the Government Insurance Office appointed by the Commissioner and so countersigned in each case.

*Clause 4:* The effect of this clause is that expenditure out of the Government Insurance Account in the acquisition of land and buildings or in the erection or alteration of buildings or in the subdivision of land will no longer be subject to annual appropriation.

*Clause 5:* The effect of the amendment made by *paragraph (a)* of this clause is to enable advances for housing purposes to be made out of the Government Insurance Account to canvassing agents of the Government Life Insurance Office.

*Paragraph (b)* repeals the provision that the policy of insurance which a mortgagor of the Office is required to effect with the Commissioner in cases where an advance exceeds two-thirds of the value of the security is to be used as a sinking fund for the repayment of the advance.

*Clause 6* increases from two-fifths to a half the proportion of the investments of the Government Life Insurance Office that may be in Government securities or local authority securities.

*Clause 7* re-enacts in an amended form the provisions of section 28 relating to the power of the Governor-General in Council to authorise additional investments of money in the Government Insurance Account. In subsection (2) the definition of "securities" is extended to securities in companies carrying on business in New Zealand, whether incorporated in New Zealand or elsewhere.

Subsection (3) is new, and clarifies the power of the Commissioner to attend and vote at meetings of creditors, debenture holders, and shareholders, and to appoint proxies for that purpose. The Commissioner is authorised to take proceedings for the adjudication of any person as a bankrupt or for the winding up of a company or for the appointment of receivers.

*Clause 8* re-enacts in an amended form the provisions of section 29 of the principal Act, relating to the acquisition of land and buildings. The clause extends the powers of the Commissioner in this respect, and authorises the acquisition of land and buildings that are subject to mortgages, charges, leases, easements, or restrictive encumbrances, the creation of easements, the acceptance of surrenders of leases and releases of easements, and the general utilisation of land and buildings for office purposes. The clause also gives to the Commissioner subject to the consent of the Government Insurance Investment Board and the approval of the Minister, wider powers of disposal of any land or buildings acquired by the Commissioner.

*Clause 9* amends section 30 of the principal Act, which authorises the Commissioner to acquire dwellings for the accommodation of employees of the Office, and authorises the Commissioner to acquire dwellings for canvassing agents also.

The clause also authorises the Commissioner, with the authority of the Government Insurance Investment Board, to sell dwellings so acquired to employees and canvassing agents of the Office. At present those dwellings may be let only.

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*Hon. Mr Anderton*

## GOVERNMENT LIFE INSURANCE AMENDMENT

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### ANALYSIS

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### A BILL INTITULED

#### **An Act to amend the Government Life Insurance Act 1953**

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

1. **Short Title**—This Act may be cited as the Government  
Life Insurance Amendment Act 1959, and shall be read  
together with and deemed part of the Government Life  
Insurance Act 1953 (hereinafter referred to as the principal  
10 Act).

2. **Delegation by Commissioner**—The principal Act is  
hereby amended by repealing section eight, and substituting  
the following section:

15 “8. (1) The Commissioner may from time to time, by writing  
under his hand, delegate to any employee of the Office all or  
any of his functions, powers, authorities, discretions, rights,

and duties, whether under this Act or any other Act or otherwise howsoever, including any functions, powers, authorities, discretions, rights, and duties delegated to him under any enactment or vested in him by virtue of any policy, instrument, or document of whatsoever nature: 5

“Provided that nothing in this section shall authorise the delegation of the use of the seal of office of the Commissioner otherwise than in accordance with the provisions of section thirteen of this Act:

“Provided also that the Commissioner shall not delegate 10 any power delegated to him under the Public Service Act 1912 without the written consent of the Public Service Commission.

“(2) Subject to any general or special directions given or conditions attached by the Commissioner, the person to whom any functions, powers, authorities, discretions, rights, and 15 duties are delegated under this section may exercise those functions, powers, authorities, discretions, and rights and carry out those duties in the same manner and with the same effect as if they had been conferred or imposed on him directly by this section and not by delegation. 20

“(3) Every person purporting to act pursuant to any delegation under this section shall, in the absence of proof to the contrary, be presumed to be acting in accordance with the terms of the delegation.

“(4) Any delegation under this section may be made to 25 a specified person or to persons of a specified class, or may be made to the holder or holders for the time being of a specified office or class of offices.

“(5) Every delegation under this section shall be revocable at will, and no such delegation shall prevent the exercise of 30 any function, power, authority, discretion, or right or the carrying out of any duty by the Commissioner.

“(6) Every delegation under this section shall, until it is revoked, continue in force according to its tenor, notwithstanding the fact that the Commissioner by whom it was made 35 may have ceased to hold office, and shall continue to have effect as if made by his successor in office.

“(7) Nothing in this section shall derogate from the provisions of section nine or subsection three of section twenty-eight of this Act.” 40

**3. Signing of cheques**—Section twenty-two of the principal Act is hereby amended by repealing subsection two, and substituting the following subsection:

5 “(2) Except as provided in subsection three of this section, the Government Insurance Account shall be kept at the bank where for the time being the Public Account under the Public Revenues Act 1953 is kept, or at such other bank as may be prescribed by the Governor-General in Council, and shall be operated on only by cheque signed by the Commissioner, or  
10 by any employee of the Office appointed for that purpose by the Commissioner, and countersigned by or on behalf of the Controller and Auditor-General.”

**4. Expenditure out of Government Insurance Account**—

15 (1) Section twenty-four of the principal Act is hereby amended by inserting in subsection one, after paragraph (b), the following paragraph:

20 “(bb) Expenditure in the acquisition by purchase, exchange, lease, or otherwise of land with or without buildings, or any estate or interest therein, and in the erection, alteration, adding to, or rebuilding of any buildings on land held or acquired by the Commissioner, and in the subdivision of any such land:”

25 (2) Section twenty-four of the principal Act is hereby further amended by repealing paragraph (b) of subsection two.

**5. Authorised investments**—Section twenty-five of the principal Act is hereby amended as follows:

30 (a) By inserting in subsection three, after the words “advances to employees”, the words “or canvassing agents”:

(b) By omitting from paragraph (a) of subsection four the words “for the purpose of creating a sinking fund for the repayment of the advance”.

35 **6. Proportion of investments**—Section twenty-six of the principal Act is hereby amended by repealing subsection one, and substituting the following subsection:

40 “(1) The investments made under section twenty-five of this Act shall be so made that the investments for the time being subsisting under paragraphs (a) and (b) of subsection one thereof shall not exceed half of the total investments of the Office.”

**7. Governor-General may authorise additional investments**—The principal Act is hereby amended by repealing section twenty-eight, and substituting the following section:

“28. (1) Notwithstanding anything to the contrary in this Act, it shall be lawful for the Commissioner, with the consent of the Board, to invest any money in the Government Insurance Account in any securities which are declared by the Governor-General, by Order in Council, to be securities in which that money may be invested. 5

“(2) Without limiting the generality of the provisions of subsection one of this section, it is hereby declared that for the purpose of this section the term ‘securities’ includes stocks, shares (whether preferential or otherwise), notes, and debentures in or issued by any corporation incorporated in New Zealand by or under any Act or carrying on business in New Zealand. 10 15

“(3) Notwithstanding anything to the contrary in any other enactment or in any instrument, the Commissioner as the holder of any securities may vote and act, either personally or by proxy under his hand, at meetings of creditors, debenture holders, or shareholders, whether (in the case of a company) it is in liquidation or not. Without limiting the generality of the foregoing provisions of this subsection, the Commissioner may take proceedings to cause any person to be adjudicated a bankrupt or any company to be wound up, or for the appointment of a receiver for the debenture holders or other creditors of a company that is being wound up, or for the appointment of a receiver of a local authority.” 20 25

**8. Acquisition of land and buildings**—The principal Act is hereby amended by repealing section twenty-nine, and substituting the following section: 30

“29. (1) With the consent of the Board and the approval of the Minister, the Commissioner may from time to time out of money in the Government Insurance Account—

“(a) Purchase or otherwise acquire or take on lease any land with or without buildings, and whether or not subject to any mortgage, charge, lease, easement, or restrictive covenant or other encumbrance: 35

“(b) Erect, alter, rebuild, or add to buildings on land so acquired. 40

“(2) With the consent of the Board, the Commissioner may from time to time—

5 “(a) Grant leases or tenancies of any land or buildings so acquired or any part thereof, and create easements and restrictive covenants thereover, and accept surrenders and partial surrenders of any such leases or tenancies and releases of any such easements and restrictive covenants:

10 “(b) Use land or buildings so acquired or any part thereof for the purpose of making suitable provision for the transaction of the business of the Office or for any other purpose, including that of investment which in the opinion of the Commissioner will be conducive to the more effectual administration of  
15 this Act.

“(3) With the consent of the Board and the approval of the Minister, the Commissioner may from time to time sell, or exchange for other land or buildings, or otherwise dispose of any land or buildings acquired by him or any part thereof  
20 or any interest therein, either altogether or in lots, by public auction, public tender, or private contract, or partly by one and partly by any other such mode of disposition, and subject to such conditions as to title or evidence of title or mode of payment of purchase money as the Commissioner thinks fit.

25 “(4) With the consent of the Board and the approval of the Minister, the Commissioner may grant options to purchase or to take on lease any such land or buildings or any part thereof, but no such grant of option shall enure for a period exceeding six months from the date of the grant.”

30 **9. Acquisition of dwellings for office staff—**(1) Section thirty of the principal Act is hereby amended by inserting in subsection one, after the words “for employees”, the words “or canvassing agents”.

(2) Section thirty of the principal Act is hereby further  
35 amended by repealing subsection two, and substituting the following subsection:

“(2) The Commissioner may—

“(a) Let any dwelling so acquired or erected or any part thereof to any employee or canvassing agent of the

Office for such term and at such rent and otherwise upon such terms and conditions as the Commissioner thinks fit:

“(b) Sell any dwelling so acquired or erected to any employee or canvassing agent of the Office at such price and on such terms as the Board authorises.” 5