

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE]

*House of Representatives, 12 November 1953*

**Words struck out by the Committee of the Whole are shown in italics within bold brackets or in roman enclosed in panel; words inserted are shown in black or in roman with rule down side.**

*Hon. Mr Fortune*

## GOVERNMENT LIFE INSURANCE

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## A BILL INTITLED

Title.	AN ACT to consolidate and amend certain enactments of the General Assembly relating to Government life insurance and annuities.	
	BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:	5
Short Title and commencement.	1. (1) This Act may be cited as the Government Life Insurance Act 1953.	
	(2) This Act shall come into force on the first day of January, nineteen hundred and fifty-four.	10
Interpretation. Cf. 1908, No. 73, s. 2	2. In this Act, unless the context otherwise requires,— “ The Actuary ” means the person for the time being holding the appointment as Actuary to the Government Life Insurance Office:	15
	“ Board ” means the Government Insurance Investment Board constituted under this Act:	
	“ Commissioner ” means the Government Insurance Commissioner appointed under this Act:	
See Reprint of Statutes, Vol. VII, p. 522	“ Employee ” means a person employed under the provisions of the Public Service Act 1912, whether as an officer or in a temporary capacity or on probation; but does not include a canvassing agent appointed under section ten of this Act:	20
	“ Minister ” means the Minister of the Crown for the time being charged with the administration of the Government Life Insurance Office:	
	“ The Office ” or “ the Government Life Insurance Office ” means the Government Life Insurance Office established under this Act.	30

*The Government Life Insurance Office*

Government Life Insurance Office.	3. There shall be an office to be called the Government Life Insurance Office, which, under the control of the Minister, shall be charged with the administration of this Act and with such other functions as may from time to time be lawfully conferred upon it.	35
Government Insurance Commissioner. Cf. 1908, No. 73, s. 3	4. There shall from time to time be appointed under the provisions of the Public Service Act 1912 a Government Insurance Commissioner, who shall be the administrative head of the Office.	40

5. The Government Insurance Commissioner is hereby constituted a corporation sole under the style of "The Government Insurance Commissioner" with perpetual succession and a seal of office, and with power to acquire, hold, and alienate real or personal property and, subject to the provisions of this Act, to do and suffer all things that bodies corporate may do and suffer.
6. (1) There may from time to time be appointed under the provisions of the Public Service Act 1912 a Deputy Government Insurance Commissioner.
- (2) On the occurrence from any cause of a vacancy in the office of Commissioner (whether by reason of death, resignation, or otherwise), and so long as that vacancy continues, the Deputy shall have and may exercise all the powers, duties, and functions of the Commissioner.
- (3) The Deputy Commissioner shall act as such Deputy in the name and on behalf of the Commissioner in case of the illness, absence, or other temporary incapacity of the Commissioner, and also (notwithstanding that no such temporary incapacity exists) in all matters in respect of which he is authorized by the Commissioner so to act.
- (4) Every such authorization shall be by writing under the hand of the Commissioner, and may be either general or in respect of any special matters.
- (5) The fact that the Deputy exercises any power, duty, or function of the Commissioner, or does any act for the Commissioner as aforesaid, shall be sufficient evidence of his authority so to do, and no person shall be concerned to inquire whether any occasion has arisen requiring or authorizing him so to do, or be affected by notice that no such occasion has arisen.
7. There may from time to time be appointed under the provisions of the Public Service Act 1912 such actuaries, clerks, and other employees as may be deemed necessary for the conduct of the business of the Office.
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 the powers, functions, or duties conferred or imposed on the Commissioner by Part II of the Life Insurance Act 1908.

Government Insurance Commissioner constituted a corporation sole.

*Cf.* 1908, No. 73, s. 15

Deputy Commissioner.

*Cf.* 1908, No. 73, s. 4

See Reprint of Statutes, Vol. VII, p. 522

Appointment of other staff.

*Cf.* 1908, No. 73, s. 6

See Reprint of Statutes, Vol. VII, p. 522

Commissioner may delegate powers and functions.

*Cf.* 1908, No. 73, s. 5

See Reprint of Statutes, Vol. IV, p. 90

(2) Subject to any general or special directions given or conditions attached by the Commissioner, the person to whom any powers, functions, or duties are delegated under this section may exercise those powers or functions 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. 5

(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. 10

(4) Any delegation under this section may be made to 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. 15

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

(6) Every delegation made 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 may have ceased to hold office, and shall continue to have effect as if made by his successor in office. 20 25

Representation  
of Commissioner  
on other  
Boards.  
*Cf.* 1925,  
No. 51, s. 19

**9.** (1) Wherever in any Act or otherwise the Government Insurance Commissioner is appointed a member of any Board, any employee of the Government Life Insurance Office having authority to act in his place during his absence from office may act for him as a member of that Board, and any such employee while so acting shall be deemed to be a member of the Board. 30

(2) The fact that any such employee so attends and acts at any such meeting shall be conclusive proof of his authority so to do. 35

Commissioner  
may appoint  
agents.  
*Cf.* 1912,  
No. 35, ss. 2, 3

**10.** (1) The Commissioner may from time to time—

(a) Employ such persons upon such terms as he thinks fit as canvassing agents for procuring proposals for any contract into which the Commissioner is authorized to enter: 40

(b) Pay to any agent so employed such commission, allowance, or other remuneration as he thinks fit:

Provided that no such payments shall exceed the maximum commission, allowance, or other remuneration that may be approved by the Minister of Finance in that behalf, either generally for the employment of canvassing agents or specially with reference to the particular employment of any such canvassing agent:

- 5  
10  
15
- (c) Vary the terms of any agreement entered into by him for the employment of any canvassing agent, or terminate any such employment:
  - (d) Write off any amounts owing by canvassing agents which he regards as irrecoverable:
  - (e) Establish and administer a superannuation fund for canvassing agents upon such terms and conditions as the Minister of Finance approves.

(2) Nothing in the Public Service Act 1912 or the Superannuation Act 1947 shall apply with respect to the employment of any canvassing agent.

See Reprint of Statutes, Vol. VII, p. 522 1947, No. 57

11. Neither the Commissioner nor any employee or canvassing agent of the Office shall, in the absence of fraud or unless the act or omission amounts to an offence, be personally liable in respect of any act or thing done or omitted by him in the exercise or *bona fide* purported exercise of any authority conferred by or pursuant to this Act.

Officers not personally liable. Cf. 1908, No. 73, s. 15 (3)

#### *Business of the Office*

12. (1) The Commissioner may from time to time enter into any contracts that may be lawfully made by any person for the insurance of a life or lives (either with or without sickness and accident disability benefits), for the granting of endowments, for the sale of life annuities, for the establishment, accumulation, provision, and payment of sinking funds and annuities certain, and for sinking fund and capital redemption policies, and any other contracts whatever dependent on the contingencies of termination or continuance of human life not repugnant to public policy, under such conditions and in accordance with such tables as may from time to time be prescribed.

General business of the Office. Cf. *ibid.*, ss. 8, 13, 14 Cf. 1925, No. 51, s. 23 (1)

(2) The Commissioner may refuse to enter into any contract for an insurance or annuity in any case where he is of opinion that there are sufficient grounds for so refusing.

(3) The Commissioner may increase the premium payable under any contract in proportion to the degree of unsoundness or ineligibility of the life proposed for insurance. 5

Contracts by  
Commissioner.

**13.** (1) The Commissioner shall be described in all deeds, policies, instruments, and documents of any kind incident to the business of the Office by his corporate name; and, where the Commissioner is authorized to enter into any contract or exercise any power, that authority may be exercised as follows: 10

(a) Where the contract or the exercise of the power is required to be by deed or in writing under seal, it shall be exercised in writing under the seal of the Commissioner and signed by him with his personal name with the addition of his corporate style in the presence of one or more witnesses: 15 20

(b) Where the contract or exercise of the power is required to be in writing but is not required to be by deed or in writing under seal, it shall be signed by the Commissioner in his personal name with the addition of his corporate style. 25

(2) Where the Deputy Commissioner enters into any contract or exercises any power on behalf of the Commissioner under any powers conferred on the Deputy Commissioner in that behalf, he shall in the presence of one or more witnesses sign the contract or document exercising the power in the following manner: 30

“[Name of Commissioner]

“ Government Insurance Commissioner

“ By his Deputy 35

“[Signature of Deputy Commissioner]”—

with the addition, in the case of a contract or the exercise of a power required to be by deed or in writing under seal, of the seal of the Commissioner. Every contract or document so executed shall be as valid and effectual according to its tenor as if it had been signed personally 40  
by the Commissioner.

14. (1) Where any dispute arises between the Commissioner and any person who has contracted under this Act, or any person claiming to be any such person's executor, administrator, next-of-kin, or assignee, the  
 5 dispute shall, if the Commissioner so elects within thirty days after receiving formal notice of the dispute from the person so claiming, be referred to the arbitration of two indifferent persons, one to be chosen and appointed by the Commissioner and the other by the party with  
 10 whom the dispute arose.

Provision for arbitration.  
*Cf.* 1908, No. 73, s. 20

(2) If the arbitrators so appointed do not agree, the matter in dispute shall be referred in writing to an umpire, having no interest in the matter, to be chosen by the arbitrators before entering upon the consideration  
 15 of the matter referred to them, and the award, order, or determination of the arbitrators or of the umpire shall be final and without appeal.

(3) The provisions of the Arbitration Act 1908 shall, as far as they are applicable, apply to references to  
 20 arbitrators and arbitrations under this Act as if the parties had entered into a written agreement to refer the matters in dispute to arbitration.

See Reprint of Statutes, Vol. I, p. 346

15. (1) Subject to the provisions of section *fourteen* of this Act, the Commissioner may sue and be sued in all  
 25 actions arising out of any act, matter, or thing whatsoever done or suffered in relation to the Office.

Commissioner may sue and be sued.  
*Cf.* 1908, No. 73, ss. 15 (1), 16

(2) With respect to all such actions the following provisions shall apply:

30 (a) They shall be instituted, prosecuted, and defended by or against the Commissioner in his corporate style and capacity only:

(b) They shall not abate or be dismissed by reason only that the cause of action relates to the Office or to the business thereof and not to the  
 35 Commissioner himself:

(c) The Commissioner shall not be personally liable in respect of any such action:

40 (d) The appointment of the Commissioner and of the Deputy Commissioner, the seal of the Commissioner, and the signature of the person for the time being holding the office of Commissioner or Deputy Commissioner shall be judicially taken notice of without further proof.

(3) No action brought by or against the Commissioner shall abate or be dismissed on the ground of interest in the Judge or Magistrate hearing the same, by reason merely that the Judge or Magistrate is the holder of or otherwise interested in any policy granted by the Commissioner. 5

Application of  
other Acts.  
*Cf.* 1908,  
No. 73, s. 17

**16.** The provisions of any other Act now or hereafter in force affecting life insurance companies and rendering them liable to assessment or taxation shall extend and apply to the Commissioner and the business conducted by him by virtue of this Act. 10

#### *Board of Investment*

Government  
Insurance  
Investment  
Board.  
*Cf.* 1908,  
No. 73, s. 32  
*Cf.* 1951,  
No. 66, s. 5  
*Cf.* 1951,  
No. 79, ss. 2,  
10 (1)

**17.** (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— 15

- (a) The Minister:
- (b) The Government Insurance Commissioner: 20
- (c) The Secretary to the Treasury:
- (d) The Public Trustee:
- (e) The Valuer-General:
- (f) One other person to be appointed by the Governor-General in Council. 25

(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 *three* of this section, hold office for a period of two years, and may be reappointed. 30

(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 Board, except by reason of sickness, he shall be deemed to have vacated his office on the Board. 35

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

(5) At any meeting of the Board three members shall form a quorum. 40

(6) The Minister shall preside at all meetings of the Board at which he is present.



(7) If the Minister is absent from any meeting of the Board, 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  
5 Chairman in respect of that meeting, and shall have and may exercise all the powers and functions of the Chairman for the purposes of that meeting.

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

(9) In the absence from any meeting of the Board of any other *ex officio* member of the Board, any em-  
15 ployee 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.

(10) The fact that any person attends a meeting  
20 of the Board under subsection *seven* or subsection *nine* of this section shall be sufficient evidence of his authority to do so.

(11) Subject to the proviso to section *twenty-one*  
25 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.

(12) Subject to the proviso to section *twenty-one* of  
30 this Act, the Chairman shall have a deliberative vote and, in the case of an equality of votes, a casting vote also.

(13) 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.

18. There shall be paid to the members of the Board  
35 (other than the Minister) remuneration by way of fees, salary, or allowances or travelling allowances and expenses in accordance with the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply accordingly, and the Board shall be deemed to be  
40 a statutory Board for the purposes of that Act.

Fees and travelling allowances.  
*Cf.* 1908, No. 73, s. 32 (4)  
*Cf.* 1951, No. 79, ss. 2, 10 (1)  
1951, No. 79

Passing of resolutions of Board by entries in minute book.  
*Cf.* 1908, No. 73, s. 32A  
*Cf.* 1951, No. 66, s. 6

19. (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. 5

(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. 10

(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. 15 20

(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.

Board may delegate its powers to Commissioner.  
*Cf.* 1908, No. 73, s. 33B  
*Cf.* 1951, No. 66, s. 7

20. (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: 25

Provided that the Board shall not delegate to the Commissioner power to consent to the investment of moneys in the Government Insurance Account in the stocks, shares, or debentures of any corporation: 30

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. 35

(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. 40

(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.

5 (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.

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

**21.** 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  
15 Zealand or loans to holders of policies) shall be made only pursuant to a resolution of the Board:

How  
investments  
are to be  
agreed to.  
Cf. 1908,  
No. 73, s. 33  
Cf. 1951,  
No. 66, s. 8

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 Com-  
20 missioner or his deputy votes in favour of the resolution to make the investment.

#### *Receipts, Payments, and Investments*

**22.** (1) All moneys received under this Act, together with all interest accruing from those moneys, including  
25 repayment of loans made hereunder and interest thereon, shall be paid into a separate account called the Government Insurance Account.

Government  
Insurance  
Account.  
Cf. 1908,  
No. 73, s. 26  
Cf. 1931,  
No. 44, s. 12  
Cf. 1932,  
No. 30, s. 10  
Sec Reprint  
of Statutes,  
Vol. VII, p. 10

(2) Except as provided in subsection *three* of this section, the Government Insurance Account shall be  
30 kept at the bank where for the time being the Public Account under the Public Revenues Act 1926 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 of the Commissioner countersigned by  
35 or on behalf of the Controller and Auditor-General.

(3) With respect to moneys received in countries beyond New Zealand the following provisions shall apply:

(a) Those moneys shall be paid into such bank as  
40 the Secretary to the Treasury appoints from time to time, for credit to an imprest account to be kept at that bank to be operated on only by cheque signed by the Commissioner or by

some persons appointed for that purpose by the Commissioner and countersigned by or on behalf of the Controller and Auditor-General:

(b) Those moneys may be utilized for payments or expenditure authorized by this Act: 5

(c) Those moneys may, with the approval of the Board, be placed on fixed deposit with the bank at which that imprest account is kept, or may be invested in securities of the Government of any country that is a member of the British Commonwealth of Nations issued under the authority of the Parliament or other legislative authority of that country and secured on the public revenues of that country, or in any other form of security wherein for the time being balances of the Public Account may be lawfully invested: 10 15

(d) Accumulated balances not required for purposes specified in the foregoing provisions of this subsection may be remitted for credit of the Government Insurance Account. 20

(4) The Commissioner may from time to time pay from the Government Insurance Account into any imprest account established pursuant to paragraph (a) of subsection *three* of this section such moneys as he in his discretion considers necessary to ensure that sufficient funds will be available in that imprest account to meet the payments and expenditure required to be made therefrom. 25

(5) For audit purposes all moneys in the Government Insurance Account and all moneys referred to in subsection *three* of this section are hereby declared to be public moneys within the meaning of the Public Revenues Act 1926, and the provisions of that Act relating to the safe custody of securities shall apply with respect to securities held by the Commissioner. 30 35

**23.** (1) The Commissioner may, with the approval of the Minister, obtain advances by way of overdraft in aid of the Government Insurance Account from the Public Account or from the Reserve Bank of New Zealand or any other bank, for such periods and at such rates of interest as may be mutually agreed upon, by hypothecating securities held by him in respect of investments of the Office, or in such other mode as may be agreed upon. 40 45

See Reprint  
of Statutes,  
Vol. VII, p. 10

Power to  
arrange  
temporary  
advances.  
Cf. 1925,  
No. 51, s. 25  
Cf. 1930,  
No. 40, s. 6  
Cf. 1949,  
No. 39, s. 7

(2) All advances made from the Public Account pursuant to this section may be treated as an investment of money under the provisions of subsection one of section thirty-nine of the Public Revenues Act 1926 or may be charged against the Public Account Cash Balance Investment Account established pursuant to subsection two of that section.

See Reprint  
of Statutes,  
Vol. VII, p. 22

24. (1) There shall be payable out of the Government Insurance Account, without further appropriation than this section unless this Act otherwise provides,—

Expenditure  
out of  
Government  
Insurance  
Account.

(a) All moneys payable under this Act in respect of annuities, or as and for payments on death or otherwise arising out of any policy of insurance issued by the Commissioner or any contract entered into by the Commissioner, or for loans, or for *[working expenses (whether commission, medical fees, contributions to staff and agents' superannuation funds, and incidental expenses of management, or otherwise)]* **commission and medical fees:**

Cf. 1908,  
No. 73, ss. 18,  
30, 31

(b) Land and income tax and all rates, taxes, and other assessments from time to time due and payable on real property (including property acquired or entered into possession under any securities held by the Commissioner) vested in the Commissioner for the purposes of the Office:

*Struck out*

(c) Expenditure in the purchase of office furniture, fittings, appliances, machines, and other equipment:

(c) All investments of moneys authorized by this Act.

(2) There shall be payable out of moneys in the Government Insurance Account appropriated by Parliament for the purpose—

(a) The salaries of the Commissioner, the Deputy Commissioner, and other employees of the Office, and travelling expenses and other contingent expenses:

(b) Expenditure in the purchase of land and buildings or any estate therein, and in the erection, alteration, or rebuilding of any buildings on land held or acquired by the Commissioner for the purposes of the Office by way of purchase, lease, or otherwise:

*New*

- (c) Expenditure in the purchase of office furniture, fittings, appliances, machines, and other equipment, or for contributions to staff and agents' superannuation funds, and other working expenses and incidental expenses of management. 5

(3) If at any time the moneys in the Government Insurance Account are insufficient to discharge the amounts chargeable under subsections *one* and *two* of this section, the Minister of Finance, under the warrant of the Governor-General and on the requisition of the Commissioner, countersigned by the Controller and Auditor-General, shall, without further appropriation than this section, issue the amount of the deficiency out of the Consolidated Fund to the Commissioner to the credit of the Government Insurance Account, for the purpose of paying those claims; and it shall be the duty of the Minister of Finance, within fourteen days after the issue of any such moneys from the Consolidated Fund, to certify every such deficiency to Parliament if Parliament is then sitting, and if not, then within fourteen days after the commencement of the next ensuing session. 10 15 20

Authorized investments.

*Cf.* 1908, No. 73, s. 27

*Cf.* 1908, No. 200, s. 97 (2)

*Cf.* 1936, No. 36, s. 24

*Cf.* 1948, No. 6, s. 2

*Cf.* 1949, No. 39, s. 8

**25.** (1) Any part of the moneys from time to time in the Government Insurance Account may be invested as follows: 25

- (a) In securities of the Government of New Zealand:
- (b) In loans to any local authority within the meaning of the Local Government Loans Board Act 1926, whether by virtue of section two of that Act or of any Order in Council thereunder, or by virtue of the provisions of any other Act: 30
- (c) In loans to holders of policies in such manner as is prescribed by this Act: 35
- (d) In loans on first mortgage of land in New Zealand in fee simple in possession, with or without buildings:
- (e) In loans on first mortgage of Crown leaseholds as specified in section ninety-seven of the Trustee Act 1908, in the manner and to the extent authorized in that section: 40

See Reprint of Statutes, Vol. V, p. 415

5 (f) On fixed deposit in any bank carrying on business in New Zealand under authority of any Act of the General Assembly, or on deposit in the Post Office Savings Bank established under the Post and Telegraph Act 1928, or in any savings bank established under the Trustee Savings Banks Act 1948.

See Reprint  
of Statutes,  
Vol. VI, p. 854  
1948, No. 62

10 (2) No advance on the security of an estate in fee simple in any land shall exceed two-thirds of the valuation thereof made by the Valuer-General or, if the Board in any particular case considers that a special valuation is required, by a valuer appointed for the purpose by the Board.

15 (3) Notwithstanding anything in subsection *two* of this section, advances to employees of the Office for the acquisition of dwellings by them may be made on the security of real estate up to an amount not exceeding four-fifths of the valuation of the security made in the manner provided in that subsection.

20 (4) Notwithstanding anything in subsection *two* of this section, advances may be made on the security of real estate up to an amount not exceeding two thousand five hundred pounds or four-fifths of the valuation of the security made in the manner provided in that subsection,  
25 whichever is the less, subject to the following conditions:

(a) That for the purpose of creating a sinking fund for the repayment of the advance a policy of insurance is effected with the Commissioner for such amount and on such terms as the  
30 Board requires; and

(b) That a mortgage of that policy of insurance, collateral with the mortgage of real estate, is granted in favour of the Commissioner, and such other collateral security is given as the  
35 Board requires; and

(c) That any advance so made is exclusively or principally for the purpose of providing residential accommodation.

40 (5) Nothing in this section shall derogate from the provisions of section ten of the Municipal Corporations Amendment Act 1948 in the application of that section to the Government Life Insurance Office.

1948, No. 60

See Reprint  
of Statutes,  
Vol. V, p. 381

(6) Notwithstanding anything to the contrary in section forty-two of the Local Bodies' Loans Act 1926 or in any other Act, it shall be competent for any local authority to appoint the Commissioner as a sole Commissioner of the sinking fund of any loan granted under the authority of this Act. 5

Proportion of  
investments.  
Cf. 1908,  
No. 73, s. 28  
Cf. 1917,  
No. 9, s. 75 (1)  
Cf. 1945,  
No. 45, s. 17  
Cf. 1947,  
No. 6, s. 2  
1932-33, No. 37

**26.** (1) The investments made under section *twenty-five* of this Act shall be so made that of the total amount of all such investments for the time being subsisting not more than two-fifths shall be under paragraphs (a) and (b) of subsection *one* thereof: 10

Provided that in determining the proportion of those investments any moneys invested in stock of any loan raised for war loan purposes, or in any stock issued in lieu thereof under the New Zealand Debt Conversion Act 1932-33, shall not be included. 15

1939, No. 29

(2) Notwithstanding anything to the contrary in subsection *one* of this section, it shall be lawful, with the approval of the Board, to invest any part of the moneys from time to time in the Government Insurance Account in securities charged upon the public revenues of New Zealand issued in respect of any loan raised or to be raised under the authority of the War Expenses Act 1939, or of any Act amending that Act, or in securities issued in renewal or redemption or conversion of any such securities. 20 25

Loans on  
policies.  
Cf. 1908,  
No. 73, s. 19

**27.** The Commissioner may, in accordance with regulations from time to time made under this Act, grant out of moneys in the Government Insurance Account loans to holders of policies issued under this Act which have been in force for two years before the grant, and interest shall be charged on those loans at the rate of interest per cent per annum from time to time fixed by the Governor-General in Council: 30

Provided that in the case of a policy on which, by its terms, no further premiums are to be paid, a loan may be granted at any time after the issue of the policy: 35

Provided further that no money shall be lent upon any such policy to an amount exceeding nine-tenths of the surrender value of the policy at the time of the loan. 40



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 moneys in the Government Insurance Account in any securities which are declared by the Governor-General by Order in Council to be securities in which those moneys may be invested.

Governor-General in Council may authorize additional investments.

*Cf.* 1908, No. 73, s. 29

*Cf.* 1951, No. 66, s. 3

(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.

29. (1) With the consent of the Board and the approval of the Minister, the Commissioner may from time to time, for the more effectual administration of this Act and in order to make suitable provision for the transaction of the business of the Office, and in each instance out of moneys in the Government Insurance Account,—

Acquisition of land and buildings for office purposes.

(a) Purchase or take on lease any land with or without buildings:

(b) Erect, alter, rebuild, or add to buildings on land so acquired by purchase or lease.

(2) With the consent of the Board, the Commissioner may from time to time grant leases or tenancies of any land or buildings so acquired or of any part thereof.

(3) With the consent of the Board and the approval of the Minister, the Commissioner may from time to time sell any land or buildings so acquired or any part thereof which are not required for the transaction of the business of the Office.

30. (1) With the approval of the Board, the Commissioner may from time to time, for the purpose of providing residential accommodation for employees of the Office, expend moneys out of the Government Insurance Account for all or any of the following purposes:

Acquisition of dwellings for accommodation of staff.

*Cf.* 1908, No. 73, s. 30A

*Cf.* 1948, No. 6, s. 3

(a) The purchase or other acquisition of any estate or interest in land with a dwelling erected thereon:

(b) The purchase or other acquisition of any estate or interest in land and the erection of a dwelling thereon:

(c) The improvement of any such land or the alteration, repair, rebuilding, subdivision, or improvement of any such dwelling.

(2) The Commissioner may let any dwelling so acquired or erected or any part thereof to any employee of the Office for such term and at such rent and otherwise upon such terms and conditions as he thinks fit. 5

(3) In the event of any dwelling acquired or erected for the purposes of this section being no longer required for those purposes, the Commissioner may sell, let, exchange, or otherwise dispose of the same in such manner and on such terms as the Commissioner, with 10 the approval of the Board, thinks fit.

Purchase of  
motor cars.  
*Cf.* 1908,  
No. 73, s. 30B  
*Cf.* 1939,  
No. 39, s. 9  
*Cf.* 1951,  
No. 66, s. 4

**31.** (1) In order to assist in the transaction of the business of the Office, the Commissioner may from time to time purchase motor cars for the purposes of this section, and may dispose of the same to employees and 15 canvassing agents of the Office whose duties necessitate the use of a motor car, by way of sale, on hire-purchase, or on bailment, on such terms and conditions as the Minister of Finance from time to time directs.

(2) All payments for motor cars purchased under 20 the authority of this section shall be made out of moneys in the Government Insurance Account appropriated by Parliament for the purpose.

(3) Motor cars may be purchased under the authority of this section only from persons engaged in 25 selling motor cars by retail.

Vesting of  
assets in  
Commissioner.

**32.** (1) All real and personal property which immediately before the commencement of this Act is vested in Her Majesty the Queen for the purposes of the Government Life Insurance Office shall, by force of 30 this Act, and without the necessity of any instrument of conveyance, transfer, or assignment, be deemed to be vested for the purposes of the Office in the Government Insurance Commissioner for the estate and interest of Her Majesty, subject to all liabilities, charges, 35 obligations, and trusts affecting the same.

(2) On the commencement of this Act, all the contracts, rights of action and other rights, debts, and liabilities of Her Majesty the Queen for the purposes of the Government Life Insurance Office shall be deemed 40 to become the contracts, rights, debts, and liabilities of the Government Insurance Commissioner.

(3) The District Land Registrar of the land registration district in which is situated any land or any estate or interest therein held by Her Majesty the Queen 45

on the commencement of this Act for the purposes of the Government Life Insurance Office shall, on being requested so to do by the Commissioner, and upon payment of the appropriate fee, register the Commissioner as the proprietor of that estate or interest.

(4) Where any other property becomes vested in the Commissioner by virtue of this section, and the title thereto of Her Majesty the Queen is or should have been entered in any register required by law to be kept, the Registrar or company or other person whose duty it is to keep that register shall, on the request in writing of the Commissioner in that behalf, enter in the register the name of the Commissioner as the owner of that property.

15     **33.** As soon as conveniently may be after the first day of April in every year, there shall be laid before Parliament if Parliament is then sitting, and, if not, within twenty-eight days after the commencement of the next ensuing session,—

Annual accounts and report.  
Cf. 1908, No. 73, ss. 34, 35, 37, 38

20     (a) Accounts for the year ended the thirty-first day of December preceding prepared by the Commissioner in the form or to the effect specified in the Second and Third Schedules to the Life Insurance Act 1908;

See Reprint of Statutes, Vol. IV, pp. 108, 109

25     (b) A report by the Commissioner on the operations of the Office during the year ended the thirty-first day of December preceding;

30     (c) An annual statement of business of the Office in the form or to the effect specified in the Twentieth Schedule to the Life Insurance Act 1908; and

Ibid., p. 121

   (d) In each year in which a triennial report of the Actuary is made pursuant to section *thirty-four* of this Act, a copy of that report.

35     **34.** (1) The Commissioner shall, on the thirty-first day of December, nineteen hundred and fifty-six, or as soon thereafter as conveniently may be, and at the end of every triennial period thereafter, cause the Actuary to make an investigation into the financial condition of the Office.

Actuarial investigation every three years.  
Cf. 1908, No. 73, s. 36

40     (2) The report of the Actuary shall be made within six months after the said thirty-first day of December or

See Reprint  
of Statutes,  
Vol. IV, p. 121

the end of the triennial period, as the case may be, and shall be made in the form or to the effect specified in the Sixth and Seventh Schedules to the Life Insurance Act 1908.

(3) For the purposes of each such investigation the accounts of the Office shall be made up on the thirty-first day of December ending each such triennial period aforesaid, and the report on the investigation shall be dated as of the same day. 5

Surplus funds  
divisible  
amongst  
policyholders.  
Cf. 1908,  
No. 73, s. 40

**35.** (1) As soon as conveniently may be after the thirty-first day of December in each year, or at such longer intervals not exceeding three years as the Governor-General in Council may fix, the Actuary shall report to the Commissioner what (if any) is in the opinion of the Actuary the net surplus of profits to be divided among holders of policies under this Act after allowing such sum as Reserve Fund as the Actuary may recommend, and that report shall be laid before Parliament with the Commissioner's annual report as hereinbefore provided. 10 15 20

(2) With the authority of the Governor-General in Council, the sum so recommended for division in the Actuary's report, or such lesser sum as the Commissioner may fix, shall be divided among the holders of policies under this Act in the manner and according to a scheme prepared by the Actuary and approved by the Commissioner. 25

*Powers of Commissioner Relating to Property  
and Mortgages*

Commissioner  
may become  
purchaser under  
power of sale  
under mortgage.  
Cf. 1908,  
No. 73,  
s. 42 (c), (d)

**36.** (1) With respect to property mortgaged to the Commissioner, the Commissioner shall have the same right to become the purchaser thereof, or of any part thereof, as is given to any ordinary mortgagee by any statute or law in force authorizing mortgagees to bid for and become the purchasers of property mortgaged to them. 30 35

(2) With the consent of the Board, any property so acquired may from time to time be sold or disposed of by public auction or private contract, altogether or in lots, and upon such terms and conditions as the Commissioner thinks fit. 40

Power to  
expend moneys  
in salvage of  
securities.

**37.** (1) The Commissioner may from time to time, with the consent of the Board, expend such sums out of

the Government Insurance Account as he considers necessary for the protection of investments by way of mortgage on property or in order to prevent or minimize any loss on the realization of any such security; and for that purpose may, with the like consent, expend moneys for the purposes of the stocking and cultivation of mortgaged lands, the employment of labour thereon, the erection of buildings and other improvements, and the carrying on of any farming business, and for such other purposes as the Board considers necessary.

(2) Any advances to mortgagors made under this section **[shall] may, in the discretion of the Board,** be secured by such further mortgage of land or chattels, either with or without collateral security, and upon such terms and conditions as the Board approves.

(3) Advances may be made under this section notwithstanding that the moneys secured under a mortgage together with any additional sums advanced under the authority of this section exceed the limits for advances prescribed by section *twenty-five* of this Act.

(4) The authority conferred by this section may be exercised notwithstanding the prior exercise in respect of the mortgaged property of any power of sale or entry into possession, and shall be in addition to the powers conferred by section *thirty-six* of this Act.

**38.** It shall be lawful for the Commissioner, with the approval of the Board, to arrange with the mortgagor to vary the rate of interest payable under any mortgage to the Commissioner or for an extension or for a renewal of the mortgage, notwithstanding that, by reason of any decrease in the value of the mortgaged property, the moneys secured by the mortgage exceed the limits for advances on the property prescribed by section *twenty-five* of this Act.

Commissioner may arrange extension or renewal or variation of mortgage.  
Cf. 1935, No. 37, s. 4 (4)

**39.** (1) The Commissioner may, with the approval of the Board,—

(a) Capitalize any arrears of interest or other moneys owing under any mortgage to the Commissioner, notwithstanding that the principal moneys owing under the mortgage together with any amounts so capitalized exceed the limits for advances on the mortgaged property prescribed by section *twenty-five* of this Act:

Power to capitalize arrears of interest and to write off arrears of interest or rent.

(b) Write off any loss on any sale or disposition of property made under section *thirty-six* of

this Act or any interest or arrears of interest in respect of any investments of the Government Insurance Account which he considers irrecoverable.

(2) The Commissioner may write off any rent or arrears of rent in respect of any land vested in the Commissioner which he considers irrecoverable. 5

*Miscellaneous*

Regulations.  
*Cf.* 1908,  
 No. 73, s. 7  
*Cf.* 1951,  
 No. 66, s. 2

40. (1) The Governor-General may from time to time, by Order in Council, make all such regulations as may in his opinion be necessary or expedient for giving full effect to the provisions of this Act and for the due administration thereof. 10

(2) Without limiting the general power to make regulations conferred by subsection *one* of this section, 15 regulations may be made under that subsection for all or any of the following purposes:

(a) Fixing the maximum and minimum limits of the payments to be made under the several classes of insurances and annuities that may be contracted for under this Act: 20

(b) Regulating the mode and form of making contracts under this Act, and the conditions precedent to those contracts in respect of medical selection of lives, the imposition of extra rates of premium in the case of under average lives, or other contingencies declared by the regulations to be special risks: 25

(c) Prescribing the mode by which the premium tables for the several classes of insurances and annuities that may be contracted for under this Act shall be fixed: 30

(d) Discontinuing the granting of any class of contract of insurance or annuity:

(e) Prescribing the mode of proving the age and identity and the existence or death of persons and the mode of paying sums of money payable under this Act: 35

(f) Regulating the making of loans under this Act of moneys on the security of the surrender values of policies and the effectual recovery of principal and interest accruing on those loans: 40

5 (g) Regulating the custody and control of the moneys in the Government Insurance Account, the payment of moneys into and the withdrawal of moneys from that account and any other accounts established in connection with the Government Insurance Account), and the receipt and payment of moneys generally under this Act:

10 (h) Prescribing the general and special reserve funds that may be created, and the manner in which those reserves may be used:

15 (i) Regulating the conditions of employment of persons as canvassing agents for the obtaining of proposals for insurance.

**41.** (1) The enactments specified in the Schedule to this Act are hereby repealed. Repeals and savings.

20 (2) Without limiting the provisions of the Acts Interpretation Act 1924, it is hereby declared that the repeal of any provision by this Act shall not affect any document made or any thing whatsoever done under the provision so repealed or under any corresponding former provision, and every such document or thing, so far as it is subsisting or in force at the time of the repeal and  
25 could have been made or done under this Act, shall continue and have effect as if it had been made or done under the corresponding provision of this Act and as if that provision had been in force when the document was made or the thing was done.

30 (3) Section six of the Finance Act 1930 (No. 2) is hereby amended as follows: Ibid., Vol. VII,  
p. 510

35 (a) By omitting the words " section forty-two of the Maori Trustee Act 1930 and section twenty-five of the Finance Act 1925 ", and substituting the words " and section forty-two of the Maori Trustee Act 1930 ":

40 (b) By omitting the words " the Maori Trustee or the Government Insurance Commissioner ", and substituting the words " or the Maori Trustee ".

Schedule.

Section 41

## SCHEDULE

## ENACTMENTS REPEALED

- 1908, No. 73—  
The Government Life Insurance Act 1908. (Reprint of Statutes, Vol. IV, p. 56.)
- 1908, No. 200—  
The Trustee Act 1908: Subsection (2) of section 97. (Reprint of Statutes, Vol. VIII, p. 910.)
- 1912, No. 35—  
The Government Life Insurance Amendment Act 1912. (Reprint of Statutes, Vol. IV, p. 77.)
- 1917, No. 9—  
The Finance Act 1917: Subsection (1) of section 75. (Reprint of Statutes, Vol. IV, p. 65.)
- 1925, No. 51—  
The Finance Act 1925: Sections 19, 23, 24, 25, and 26. (Reprint of Statutes, Vol. IV, pp. 57, 59, 65, 69.)
- 1931, No. 44—  
The Finance Act 1931 (No. 4): Section 12.
- 1932, No. 30—  
The Finance Act 1932 (No. 2): Section 10.
- 1933, No. 41—  
The Finance Act 1933 (No. 2): Section 12.
- 1935, No. 37—  
The Trustee Amendment Act 1935: Subsection (4) of section 4.
- 1936, No. 36—  
The Finance Act (No. 2) 1936: Sections 23 and 24.
- 1937, No. 38—  
The Statutes Amendment Act 1937: Section 13.
- 1945, No. 45—  
The Finance Act (No. 2) 1945: Section 17.
- 1947, No. 6—  
The Finance Act 1947: Section 32.
- 1948, No. 6—  
The Government Life Insurance Amendment Act 1948.
- 1948, No. 35—  
The Finance Act 1948: So much of the Schedule as relates to the Government Life Insurance Act 1908.
- 1948, No. 78—  
The Finance Act (No. 2) 1948: Section 6.
- 1949, No. 39—  
The Finance Act 1949: Sections 7, 8, and 9.
- 1951, No. 66—  
The Government Life Insurance Amendment Act 1951.
- 1951, No. 79—  
The Fees and Travelling Allowances Act 1951: So much of the First Schedule as relates to the Government Insurance Investment Board, and so much of the Second Schedule as relates to the Government Life Insurance Act 1908.