

Hon. Mr. Coates.

LIFE INSURANCE AMENDMENT.

ANALYSIS.

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A BILL INTITULED

AN ACT to amend the Life Insurance Act, 1908, and make other Alterations in the Law with reference to Life Insurance. Title.

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

- 1. (1.) This Act may be cited as the Life Insurance Amendment Act, 1920, and shall be read together with and deemed part of the Life Insurance Act, 1908 (hereinafter referred to as the principal Act). Short Title.
- (2.) This Act shall come into force on the first day of April, nineteen hundred and twenty-one.

PART I.

AMENDMENTS OF LAW AS TO LIFE INSURANCE.

- 2. (1.) Where a policyholder, being a man, has assigned a policy on his own life to his wife or, being a woman, has assigned a policy on her own life to her husband, and such wife or husband has died in the lifetime of the policyholder without having disposed of such policy by will, and the premiums actually paid on such policy do not at the date of the death of the assignee exceed the sum of two hundred pounds, or where the sum assured by such policy does not, Reversion or vesting of policies assigned, to husband or wife.

exclusive of bonuses, exceed two hundred pounds, such policy with all bonus additions thereto shall, subject to all outstanding interests or equities affecting the same, revert to and vest in the surviving husband or wife, as the case may be.

(2.) Where a policyholder, being a man, has assigned a policy on his own life to his wife or, being a woman, has assigned a policy on her own life to her husband, and such wife or husband has died in the lifetime of the policyholder having made a will whereby she or he has disposed of any such policy, and the premiums actually paid on such policy do not at the date of the death of the assignee exceed the sum of two hundred pounds, or where the sum assured by such policy does not, exclusive of bonuses, exceed two hundred pounds, the company may without requiring probate of such will, by writing under the hand of the secretary, declare that the executor of such will, or any person who may be entitled under such will to such policy, is the holder of such policy, and may enter on such policy and shall register a memorial that such executor or other person is the holder of such policy, and thereupon such executor or other person shall become the holder of such policy, subject to all outstanding interests or equities affecting the same :

Provided that in any such case the company may require probate of any such will to be taken out.

(3.) Section sixty-two of the principal Act is hereby repealed.

3. Section sixty-eight of the principal Act is hereby amended by adding thereto the following words: "either with or without simple or compound interest thereon at a rate not exceeding five per centum per annum."

4. Section seventy-five of the principal Act shall be deemed to apply to any policy on the life of a minor of or over the age of fifteen years, whether such policy has been effected before or after such minor attained the age of fifteen years.

5. Subsection one of section seventy-six of the principal Act is hereby amended as follows:—

(a.) By omitting the words "insuring a sum not exceeding two hundred pounds, exclusive of profits"; and

(b.) By inserting, after the words "section sixty-seven hereof," the words "and do not, exclusive of profits, exceed the sum of two hundred pounds after allowing for any moneys that may be payable to or deductible by the company liable under such policy."

6. The Fifteenth Schedule to the principal Act is hereby amended as follows:—

(a.) By inserting in paragraph (b), after the words "and all interest then due thereon," the words "including interest accrued to the date of the death of the assured or the maturity of the policy, as the case may be, and all other charges on the policy"; and

(b.) By inserting in paragraph (c), after the words "interest due," the words "including interest accrued but not due"; and, after the words "(if any)," the words "interest on overdue premiums and all other charges on the policy."

Repeal.

Section 68 of principal Act (relating to insurances by parents on lives of children) amended.

Section 75 of principal Act (relating to insurances by minors) extended.

Section 76 of principal Act (relating to payments without probate) amended.

Fifteenth Schedule to principal Act amended.

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PART II.

INDUSTRIAL INSURANCE.

7. In this Part of this Act, if not inconsistent with the Interpretation.
context,—

5 “Company,” in addition to having the meaning given by
section forty-one of the principal Act, includes any
friendly society or any branch of a friendly society,
whether registered or not, receiving contributions or
10 premiums through or by the agency of collectors, unless
such friendly society or branch is expressly exempted
from this Part of this Act by the Governor-General in
Council :

15 “Industrial insurance” means any insurance by the terms of
which the premiums are paid or payable at shorter inter-
vals than three months, and, in cases in which the pre-
miums are paid or payable at longer intervals than three
months, includes any insurance which shall be declared
by the Governor-General by regulation made under this
Act to be industrial insurance :

20 Provided that this definition shall not apply to any
policy the premiums on which are, by arrangement
between the insured and the insurer, deductible from the
salary or wages of the insured :

25 “Policy” means any contract of insurance contracting for
any industrial insurance :

“Minister” means the Minister of Finance.

8. Every company which, after the coming into operation of
this Act, carries on the business of industrial insurance (whether
such business is commenced to be carried on before or after that date)
30 shall deposit with the Minister, before the same shall be issued to any
policyholder or to the general public, three copies of every form of
policy proposed to be issued by such company and of all tables of
rates, prospectuses, and other documents used or issued, or intended
to be used or issued, by it relating to industrial insurance.

Industrial
companies to
deposit forms
with Minister.

35 9. Every policy of industrial insurance shall contain only such
provisions and conditions as may be approved by the Governor-
General in Council.

Industrial-insurance
policies to contain
approved provisions.

10. No company shall forfeit any policy, excepting upon the
following conditions :—

Non-forfeiture of
industrial policies.

40 (a.) That notice of any default on the part of the policyholder as
the result of which the company claims to forfeit such policy
shall be given to the policyholder, and such notice shall
require the policyholder within a period of not less than
fourteen days, and at a place to be specified in such notice,
45 to make good the default in respect of which the com-
pany claims to forfeit such policy. Such notice shall be
served upon the policyholder, or posted to him addressed
to his last-known place of abode or residence :

50 (b.) That default has been made by such policyholder in paying
to the company the amount due by him to the company
and in respect of which such notice has been given as
aforesaid.

Application of provisions of principal Act to industrial-insurance companies.

11. Sections sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, seventy-eight, and seventy-nine of the principal Act shall apply to every company carrying on industrial insurance in the same manner as if industrial insurance were the only insurance carried on by such company, and the statements and accounts therein respectively referred to, except the balance-sheets mentioned in the Third and Fifth Schedules to the principal Act, shall be made and kept separately from any other insurance business carried on by such company. 5

Minister may require additional information.

12. The Minister shall be entitled and is hereby empowered to require such additional explanation of or information with respect to any statement or balance-sheet required by this Act to be made or prepared by any company, or with respect to any form of policy, table of rates, prospectus, or other document deposited under section *eight* of this Act, or with respect to industrial insurance as conducted by the company as he deems necessary for the purposes of this Act. 10 15

Governor-General may make regulations.

13. The Governor-General may, by Order in Council, make any regulations which he may deem necessary for the purpose of carrying this Part of this Act into effect and of enforcing the provisions of this Part of this Act. 20

Penalties on company making default.

14. (1.) If any company makes default in duly complying with the requirements of this Part of this Act or with any request made by the Minister under section *twelve* hereof, and continues in default for seven days after notice by the Minister, or in case any company makes default in the performance of any obligation imposed on it by any regulation made under the *last preceding* section, then, and in every such case, the company, and also its attorney, general agent, or other agent, shall be severally liable to a fine not exceeding *fifty* pounds for every day during which such default continues. 25

(2.) If any such default as aforesaid is continued for a period of three months, the Minister may, by notice in the *Gazette*, prohibit the defaulting company from carrying on business in New Zealand either absolutely or for such time as he thinks fit. 30

(3.) If any company so prohibited under this section, or any person as attorney, general agent, or other agent of such company, or otherwise for or on behalf of such company, receives any application for industrial insurance, or accepts any premium for industrial insurance, or otherwise carries on the business of such company in New Zealand, then, in addition to and irrespective of the penalty hereinbefore provided, such company and persons shall be severally liable to a fine of *one hundred* pounds for each and every act done in breach of this provision. 35 40

Fine on false statement.

15. Every person who signs or deposits any statement or prepares any balance-sheet required by this Act, knowing the same to be false in any particular, is liable to a fine not exceeding *fifty* pounds. 45

Fines recoverable summarily.

16. All fines imposed by this Act shall be recoverable in a summary way.