

432

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MUNICIPAL FIRE INSURANCE.

ANALYSIS.

Title.	6. Reserve fund.
Preamble.	7. Continuance of fire-insurance rate.
1. Short Title.	8. Extraordinary fire-insurance rate.
2. Council may undertake fire insurance.	9. How rate-book to be made up.
3. Rate-book of buildings to be prepared, and rate levied.	10. Fire brigade to be maintained.
4. Payment of rate.	11. Council to have certain powers in the matter of fire insurance.
5. After expiry of twelve months and after second year's rate become due, buildings within borough stand insured.	

A BILL INTITULED

AN ACT to permit City and Borough Councils to insure Buildings within their Title. respective Boundaries against Fire.

WHEREAS it is expedient that there should be a more complete system of Preamble. insurance against fire within boroughs :

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

1. The Short Title of this Act is "The Municipal Fire Insurance Act, Short Title. 1882."

10 2. Any Council may undertake, on behalf of their Corporation, the insurance of all dwellings, houses, and other buildings of every description within the Council may under- take fire insurance. borough (except such buildings as may be used for carrying on any trade or occupation of a hazardous nature, or buildings likely to be endangered by their proximity to those referred to) : Provided always that, before doing so, the

15 Council shall comply with the following preliminaries, that is to say,—

(a.) The Council shall, by resolution, of which public intimation must be given in one or more local newspapers, at least fourteen days pre- viously, agree to undertake the before-mentioned fire insurance ;

20 (b.) The aforesaid resolution, to become effectual, must be confirmed within one month thereafter at a meeting of the Council specially called for that purpose.

3. On the passing of such confirmatory resolution it shall be the duty of the Council forthwith to prepare a rate-book setting forth the rateable value of Rate-book of build- ings to be prepared, and rate levied. houses and buildings of every description within the borough, as distinguished from the value of the land on which they are erected or situated, and thereafter

to levy a rate, to be called the "ordinary fire-insurance rate," of an amount not exceeding sixpence in the pound on the rateable value thus ascertained of all such houses and buildings.

The fire-insurance rate (with the proviso that it is leviable on the value of buildings only) shall be made, levied, and collected in all respects and in the same manner as other municipal rates. 5

Payment of rate.

4. As soon as the ordinary fire-insurance rate has been struck by the Council, it shall become due and payable, and shall be payable on, or as near as possible to, the same date in each year thereafter.

Notwithstanding the levying of this rate, the Council, with the object of forming a fire-insurance fund, shall not be responsible for any losses arising from fire until after the expiry of twelve calendar months from the date at which the said rate for the first year became payable. 10

After expiry of twelve months and after second year's rate become due, buildings within borough stand insured.

5. After the expiry of the twelve calendar months hereinbefore mentioned, and immediately after a second year's rate has become due and payable, the whole of the buildings within the borough, with the exception of those specially mentioned in the *second* section hereof, shall stand insured, on payment of all rates being made in this behalf, and the said payment shall *ipso facto* insure the buildings so paid for at their value as rated in the valuation-roll of the Corporation. The insurance to take effect from the hour at which payment is made, and to continue in effect until the period at which another rate is due and payable. 15 20

The receipt shall be evidence of payment, and shall be equivalent to a policy of insurance for the aforesaid defined period, on such conditions and stipulations as shall be set forth at length in the Council's by-laws enacted for the due regulation and control of such policies of insurance. 25

So long as any rate for fire insurance continues unpaid, the buildings chargeable with the same shall not be insured.

Reserve fund.

6. The Council, after the payment of all legitimate claims for losses sustained by fire and for fire-prevention, shall form a reserve fund of the balance, if any, of the ordinary fire-insurance rate, and shall have power to invest the same for short periods on the security of freehold property within the borough. 30

Continuance of fire-insurance rate.

7. The ordinary fire-insurance rate shall continue from year to year as aforesaid until the reserve fund has accumulated to an amount to be fixed by resolution of the Council, but not to exceed the sum of fifty thousand pounds, when such rate shall be reduced or temporarily discontinued as the Council may see fit. 35

Provided always that the temporary discontinuance of the ordinary fire-insurance rate shall not interfere with the power to levy it afresh as occasion may require, but so as that the said rate shall in no case exceed sixpence in the pound.

Extraordinary fire-insurance rate.

8. Whenever, in any case, by reason of serious or frequent fires occurring in any one year within any borough in which fire insurance has been undertaken, the funds for the purpose are found to be inadequate to meet the legitimate payments required from the same, the Council shall at once ascertain the precise amount of money required, and shall have power to levy an additional rate, to be called the "extraordinary fire-insurance rate," to liquidate all such legitimate payments as they arise. 40 45

The Council shall have power to spread such extraordinary fire-insurance rate over any period not exceeding three years, if it is considered advisable to do so. The Council shall also have power to borrow money upon the security of the extraordinary fire-insurance rate, provided that the money so borrowed is applied strictly to the payment of those legitimate claims for fire insurance for which the said rate has been levied. 50

493

Municipal Fire Insurance.

9. When any Borough Council has adopted the fire-insurance provisions of this Act, it shall be the duty of the valuer for every such borough to value the land and buildings of each ratepayer separately, and to enter the values of the same in distinct columns in the rate-book of the borough. How rate-book to be made up.

5 10. Any Council undertaking fire insurance shall establish and maintain an efficient fire brigade, under such rules and regulations as may be made from time to time by the Council, and shall defray the cost of such fire brigade out of the ordinary fire-insurance rate of the borough. Fire brigade to be maintained.

10 11. Borough Councils, in the matter of fire insurance, shall have power to make all necessary by-laws for carrying out the purposes of the Act, and shall possess all the rights, privileges, and powers conferred by any Acts of the Legislature on individuals or companies undertaking fire insurance, and may sue and be sued in connection therewith. Council to have certain powers in the matter of fire insurance.