

MUTUAL INSURANCE AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Mutual Insurance Act 1955.

Clause 1 relates to the Short Title to the Bill.

Clause 2 extends the classes of persons eligible for membership of a mutual insurance association by including the wife or husband of any member of the association and the widow or widower of any person who was a member of the association at his or her death.

Clause 3 authorises a mutual insurance association to invest up to one-quarter of its reserve fund in stock or shares or debentures or notes, whether the notes are registered or unregistered, and whether or not they convey the right of conversion to shares, of any company, whether incorporated in New Zealand or elsewhere, if—

- (a) The exercise of the power to invest in these securities has been authorised by an unrevoked special resolution of the association; and
- (b) The stock or shares or debentures or notes are quoted on the official list of any stock exchange in New Zealand.

Hon. Mr Rae

MUTUAL INSURANCE AMENDMENT

ANALYSIS

Title	2. Qualification for membership of
1. Short Title	association
	3. Reserve fund

A BILL INTITULED

An Act to amend the Mutual Insurance Act 1955

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

1. **Short Title**—This Act may be cited as the Mutual Insurance Amendment Act 1964, and shall be read together with and deemed part of the Mutual Insurance Act 1955* (hereinafter referred to as the principal Act).
- 10 2. **Qualification for membership of association**—Section 3 of the principal Act is hereby amended by adding to subsection (1) the following paragraph:
- 15 “(f) The wife or husband of any member of the association and the widow or widower of any person who was a member of the association at his or her death.”

*1957 Reprint, Vol. 10, p. 615
Amendment: 1963, No. 103

3. Reserve fund—Section 35 of the principal Act is hereby amended by adding the following subsection:

“(5) Without restricting the provisions of subsection (4) of this section it is hereby declared that money forming part of the reserve fund may from time to time be invested in stock or shares or debentures or notes, whether the notes are registered or unregistered, and whether or not they convey the right to conversion to shares, of any company, whether incorporated in New Zealand or elsewhere, if— 5

“(a) The exercise of the power of investment conferred by this subsection has been authorised by an unrevoked special resolution (as defined in subsection (2) of section 8 of this Act) of the association; and 10

“(b) The stock or shares or debentures or notes are quoted on the official list of any stock exchange in New Zealand; and 15

“(c) The total of the money invested under the authority of this subsection does not exceed one-quarter of the amount of the reserve fund.”