

Hon. Mr. Rolleston.

MORTGAGEES' INDEMNITY (WORKERS' CHARGES).

ANALYSIS.

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A BILL INTITULED

AN ACT to make Provision for the Protection of Mortgagees from Loss due to the Enforcement of Workers' Charges under the Workers' Compensation Act, 1922. Title.

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

1. This Act may be cited as the Mortgagees' Indemnity (Workers' Charges) Act, 1927. Short Title.

10 2. In this Act,— Interpretation.

“Mortgage” means a mortgage of land, and includes—

(a) Any instrument creating any legal or equitable mortgage, charge, or other security over land for the payment of money owing or to become owing:

15 (b) Any written agreement to grant any such mortgage, charge, or security:

“Mortgagee” means the owner for the time being of a mortgage, as herein defined.

20 3. This Act shall apply with respect to every mortgage, wherever or whenever executed, which operates as a security over any land situated in New Zealand. Application of Act.

4. (1) In respect of every mortgage to which this Act applies that is presented for stamping after the commencement of this Act, there shall, in addition to the mortgage duty payable thereon, be payable a stamp duty of one shilling, in this section referred to as a mortgagee's indemnity fee. Mortgagees' indemnity fees to be charged on mortgages, and proceeds to be paid into the Land Assurance Fund Account.

(2) In respect of every other mortgage to which this Act applies a mortgagee's indemnity fee of one shilling shall be payable on the total discharge of that mortgage.

(3) The total amount of all fees received under this section shall, anything to the contrary in the Stamp Duties Act, 1923, notwithstanding, be paid to the credit of the Land Assurance Fund Account established under the Land Transfer Act, 1915.

Mortgagee to have claim against Assurance Fund in respect of loss resulting from enforcement of worker's charge.

5. (1) Where any mortgagee entitled under a mortgage to which this Act applies has suffered loss by reason of the enforcement of a charge created under section forty-seven of the Workers' Compensation Act, 1922, against the land or any part of the land comprised in the mortgage, in respect of an accident happening after the date of the mortgage, he may make a claim for the amount of such loss against the Land Assurance Fund Account, and shall be entitled to receive from that account, without further appropriation than this section, an amount equal to the amount of the loss proved to have been suffered by him by reason of any depreciation of his security resulting from the enforcement of the aforesaid charge. 5
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(2) Any person having a claim against the Assurance Fund under this section may bring an action against the Registrar-General of Land, as the nominal defendant, and with respect to every such action the provisions of sections one hundred and eighty-seven to one hundred and eighty-nine of the Land Transfer Act, 1915, shall apply as if the claim were a claim for damages under section one hundred and eighty-six of that Act. 20

Mortgagor not bound by covenant to insure mortgagee against loss resulting from worker's charge.

6. Notwithstanding anything to the contrary in any mortgage to which this Act applies, it shall not be obligatory on any mortgagor, after the commencement of this Act, to insure the mortgagee or to keep him insured against any loss that may result from the enforcement of a charge created under section forty-seven of the Workers' Compensation Act, 1922. 25

Repeals.

7. Paragraphs (9), (10), and (11) of the Fourth Schedule to the Property Law Act, 1908, and paragraphs (9), (10), and (11) of the Fourth Schedule to the Land Transfer Act, 1915, are hereby repealed. 30