



**THE LIFE INSURANCE COMPANIES INVESTMENTS ORDER
1973**

DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 24th day of September
1973

Present:

THE HON. H. WATT PRESIDING IN COUNCIL

PURSUANT to the Reserve Bank of New Zealand Act 1964, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

ORDER

1. Title and commencement—(1) This order may be cited as the Life Insurance Companies Investments Order 1973.

(2) This order shall come into force on the 1st day of October 1973.

2. Interpretation—In this order, unless the contents otherwise requires,—

“Bank” means the Reserve Bank of New Zealand:

“Company” has the same meaning as in the Life Insurance Act 1908; and includes any department, division, or office of any such company:

“Government securities” means any New Zealand Government securities or Treasury Bills issued and registered in New Zealand; and includes any other securities that the Bank may approve for the purposes of this order:

“Local authority securities” means debentures, stock, or other securities issued by any local authority within the meaning of Part I of the Local Authorities Loans Act 1956, whether by virtue of section 2 of that Act or of any Order in Council thereunder or by virtue of any other Act; and includes any securities issued by any other local authority or any public body or any corporation that the Bank may approve for the purposes of this order:

“Quarter” means a period of 3 months ending with the 31st day of March, the 30th day of June, the 30th day of September, or the 31st day of December in any year:

“Selected New Zealand assets” means the net value of the items specified in the Schedule to this order.

3. Insurance companies to hold Government and local authority securities—(1) Every company shall at all times during each quarter hold the beneficial ownership of Government and local authority securities of a total amount equal to at least 30 percent of the amount of its selected New Zealand assets as at the end of the immediate preceding quarter, of which amount Government securities shall comprise at least 22 percent.

(2) For the purpose of this order, a company that makes any payment to the Registrar of Stock by way of advance subscription for any future issue of Government stock, or any instalments of a current subscription of Government stock, shall be deemed to hold Government securities to the extent of that payment.

(3) If a company holds any authorised security not later than the forty-second day after the commencement of any quarter, then, for the purposes of this clause it shall be deemed to have held that authorised security on the first day of that quarter.

4. Returns to the Reserve Bank—(1) Within 42 days after the last day of each quarter, every company shall send to the Head Office of the Reserve Bank at Wellington a quarterly return of selected assets less bank overdrafts made up as at the last day of each quarter.

(2) Every such return shall be in the form in the Schedule to this order.

5. Exemptions—(1) The Bank may from time to time, by notice in writing to the company, grant to any company exemption from compliance with any provision of this order, subject to such conditions as the Bank thinks fit.

(2) Any exemption granted under this clause may, by notice in writing to the company, be revoked or varied by the Bank from time to time as it thinks fit.

SCHEDULE

QUARTERLY RETURN OF SELECTED NEW ZEALAND ASSETS TO BE MADE
BY LIFE INSURANCE COMPANIES*Name of Company:*.....*Statement of Selected New Zealand Assets
Less Bank Overdraft in Respect of New Zealand Business⁽¹⁾*

For the Quarter Ended.....

	Value or Amount (\$'000)
Cash in hand or on current account
Other deposits
New Zealand Government securities
Local authority securities
Company stocks and shares ⁽²⁾
Company debentures and notes ⁽²⁾
Land, buildings, and house property ⁽³⁾
Total mortgage advances for all purposes
Loans on policies
Other loans

Less bank overdraft

<i>Total selected New Zealand assets</i>
	=====

- (1) Balance according to the insurance company's books at the end of each quarter without adjustment for items which have not been brought into account at that date.
- (2) Value of items to be shown at cost or market value in accordance with standard accounting procedures.
- (3) 30 September 1969 book value or cost.

P. G. MILLEN,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the order, but is intended to indicate its general effect.

This order requires life insurance companies to hold Government securities and local authority securities of a total amount equal to at least 30 percent of its selected New Zealand assets, as specified in the Schedule to the order, of which amount at least 22 percent must be Government securities.

Life insurance companies are required to make quarterly returns of their selected New Zealand assets to the Reserve Bank of New Zealand.

The Reserve Bank may grant to any company exemption from compliance with these requirements, subject to such conditions as the Bank thinks fit. Such an exemption may be revoked or varied at any time.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 27 September 1973.

This order is administered in the Reserve Bank of New Zealand.