

New Zealand.

ANALYSIS.

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1927, No. 71.

AN ACT to amend the Insurance Companies' Deposits Act, 1921-22. Title.
[5th December, 1927.]

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 Insurance Companies' Deposits Amendment Act, 1927, and shall be read together with and deemed part of the Insurance Companies' Deposits Act, 1921-22 (hereinafter referred to as the principal Act). Short Title.

2. (1) In this Act, unless the context otherwise requires,— Interpretation.

“Agent” means any person, firm, or company that negotiates or attempts to negotiate, or holds himself or itself out as having authority to negotiate, on behalf of any underwriter or underwriters, any contract of insurance of a class within the meaning of the term “insurance business” as defined by the principal Act:

“British underwriter” means an underwriter as hereinafter defined ordinarily resident in the United Kingdom or in any of His Majesty's dominions or possessions other than New Zealand:

“Foreign underwriter” means an underwriter as hereinafter defined ordinarily resident in any foreign country:

“ Underwriter ” means a person named in a contract or policy of insurance as liable to pay or contribute towards the payment in whole or in part of the sum secured by such policy or contract, but does not include a company or other corporation.

(2) For the purposes of this Act a person, firm, or company shall be deemed to be the agent of an underwriter if such person, firm, or company acts in New Zealand as the agent or servant of a person, firm, or company carrying on business out of New Zealand as the agent of an underwriter.

Deposits to be made
by agents of
underwriters.

3. (1) Every agent in New Zealand of a British underwriter or of British underwriters in respect of any class of insurance business specified in the Schedule hereto, and every person in New Zealand who acts as an underwriter in respect of any such class of insurance business, shall in accordance with this section deposit with the Public Trustee in money the sum specified in that Schedule in respect of that class of insurance business. Every such deposit made in respect of any class of insurance business shall be held as security in respect of all policies or other contracts of insurance of that class effected or negotiated by such agent or underwriter, as the case may be.

(2) Every agent in New Zealand of a foreign underwriter shall in accordance with this section deposit with the Public Trustee in money the sum of fifty thousand pounds, to be held as security in respect of all policies or other contracts of insurance effected or negotiated by such agent.

(3) In the case of agents or underwriters who at the passing of this Act are carrying on business as such the deposit required by this section shall be made on or before the thirty-first day of March, nineteen hundred and twenty-eight. In every other case the deposit required by this section shall be made before the agent or underwriter concerned commences to act as such agent or underwriter.

(4) Nothing in the foregoing provisions of this Act shall impose an obligation to make a deposit under this section on any person who in negotiating or attempting to negotiate any contract of insurance acts as the servant or authorized agent of an agent or underwriter by whom a deposit has been made under this section in respect of the class of insurance business represented by such contract.

(5) Every cover-note and every receipt or other document acknowledging the receipt of a premium in respect of a contract of insurance issued by any agent or underwriter required to make a deposit under this section in respect of the class of insurance business represented by such contract, or issued by any person acting as the servant or agent of any such agent or underwriter, at any time after such deposit is required to be made shall bear on the face thereof the name of the agent or underwriter by whom the deposit has been made, together with a statement to the effect that a deposit has been so made and is available as security for the contract of insurance evidenced by such cover-note, receipt, or other document as aforesaid. Every person who issues any such cover-note, receipt, or other document as aforesaid that does not conform to the requirements of this subsection commits an offence, and is liable on summary conviction to a fine of fifty pounds.

4. Except as may be otherwise provided in this Act, the provisions of the principal Act shall apply with respect to agents and underwriters in New Zealand as if every such agent and underwriter were a company carrying on insurance business in New Zealand, and shall apply with respect to the deposits made pursuant to this Act as if the said deposits were made by a company carrying on business as aforesaid.

Application to agents and underwriters of provisions of principal Act relative to companies.

5. The definition of the term "insurance business" in section two of the principal Act is hereby amended by inserting, after paragraph (b) in the list of exceptions to the definition of that term, the following words: "and (c) Insurance against earthquake."

Insurance against loss from earthquake not within principal Act.

6. Any company carrying on insurance business that issues or undertakes liability under policies of insurance against loss by or incidental to fire, whether any such policy includes other risks or not, shall for the purposes of the principal Act be deemed to carry on the business of fire insurance (but not to the exclusion of any other class of insurance business), save that for the purposes of that Act a company carrying on the business of marine insurance shall not be deemed to carry on the business of fire insurance by reason only that loss by fire is one of the various risks covered by the marine policies issued by such company, and a company carrying on the business of insurance against earthquake shall not be deemed to carry on the business of fire insurance by reason only that it insures against loss by fire consequent on earthquake.

Business of fire insurance defined.

SCHEDULE.

Schedule.

DEPOSITS TO BE MADE BY AGENTS IN NEW ZEALAND OF BRITISH UNDERWRITERS.

	£
In respect of fire-insurance business	15,000
In respect of employers' liability insurance business	15,000
In respect of all other classes of insurance business	5,000.