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(Rough Draft for Consideration Only.)

[CONFIDENTIAL.]

No. , 1932.

A BILL

To constitute the General Manager for the time being of the Government Insurance Office a corporation sole; to authorise the carrying on by such corporation of general insurance business other than life insurance business; for these and other purposes to amend the Government Insurance Act, 1927-1930, and certain other Acts; and for purposes connected therewith.

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. (1) This Act may be cited as the "Government Insurance (Amendment) Act, 1932," and shall be read and construed with the Government Insurance Act, 1927-1930, in this Act referred to as the Principal Act.

Short title,
citation,
and com-
mencement.

Government Insurance (Amendment).

(2) The Principal Act, as amended by this Act, may be cited as the Government Insurance Act, 1927-1932.

(3) This Act shall commence upon a date to be appointed by the Governor, and notified by proclamation published in the Gazette.

2. The Principal Act is amended—

Amendment of Act No. 18, 1927. New s. 1A.

(a) by inserting next after section one the following new section :—

1A. In this Act, unless the context or subject matter otherwise indicates or requires,— Interpretation.

“General Manager” means the person for the time being holding the office of general manager of the Government Insurance Office of New South Wales.

“Insurance” includes assurance, reinsurance, counter insurance, internal insurance and reinsurance, and guarantee business.

“Office” means the corporation sole constituted by this Act.

“Prescribed” means prescribed by this Act or the regulations made thereunder.

“Treasurer” means the Colonial Treasurer of the State of New South Wales.

(b) by omitting section two and by inserting in lieu thereof the following section :— Substituted s. 2.

2. (1) From and after the commencement of the Government Insurance (Amendment) Act, 1932— General manager a corporation sole.

(a) the general manager is constituted a corporation sole with the corporate name of the “New South Wales Government Insurance General Manager” with perpetual succession and a seal of office ;

(b)

- (b) the office may sue and be sued in its corporate name and shall be capable of purchasing, holding, granting, demising, disposing of, or otherwise dealing with real and personal property, and of doing and suffering all such other acts and things as a corporation sole may by law do and suffer ;
- (c) the seal of the office and the appointment and signature of the general manager or of any person appointed to exercise his powers shall be judicially noticed ;
- (d) all property, real and personal, including books, documents, moneys, securities for money funds, investments, and assets, which immediately prior to such commencement was held on behalf of the Government Insurance Office of New South Wales, established under the Government Insurance Act, 1927-1930, shall pass to and become vested in the office, and all liabilities to which the Treasurer was subject by reason of the operations of the said Government Insurance Office immediately prior to such commencement shall be liabilities of the office ;
- (e) all policies of insurance and other transactions entered into by the said Government Insurance Office prior to such commencement shall be deemed to have been entered into by the office.

(2) Where any property, real or personal, or interest therein or charge thereon, is vested in or is acquired by the corporation sole constituted by this Act, the same shall, unless otherwise disposed of by the said corporation sole, pass to and devolve on and vest in its successors.

(3)

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(3) In the event of a vacancy in the office of the general manager or in the case of his absence from the State the powers of the corporation sole may be exercised by such person as the Governor may appoint in that behalf.

(4) The office shall have power and authority—

(a) to carry on the general business of insurance, including all classes or forms of insurance practised or which may hereafter be practised in any part of the world, but exclusive of life insurance;

(b) to carry on such business according to the accepted practice, usage, form, and procedure of private insurance companies and institutions.

(c) by omitting section 3A;

(d) by omitting section four and by inserting in lieu thereof the following new section:—

Sec. 3A.
(Interpretation.)
Substituted
s. 4.

4. (1) Upon the commencement of the Government Insurance (Amendment) Act, 1932, all funds in credit in the Compensation Insurance Fund, the Fire and Marine Insurance Fund and the General Accident Insurance Fund in Special Deposits Account shall be transferred to an account to be opened in Special Deposits Account designated "Government Insurance Office Fund."

Special
deposits
account.

(2) Subject to subsection four of this section, all premiums and other moneys received by the office in respect of any insurance or service within the authority of this Act shall be paid into the Government Insurance Office Fund.

(3) The Government Insurance Office Fund shall be available for—

(a) investment and reinvestment by the office under the powers conferred by section five of this Act;

(b)

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(b) the discharge of all liabilities, charges, and expenses incurred by the office other than those referred to in subsection four of this section.

(4) The Treasury Guarantee Fund in Special Deposits Account shall be continued and shall be administered by the office.

All moneys received in respect of such fund shall be paid into such fund, and all payments in respect of such fund shall be paid out of such fund.

(5) Interest at a rate to be determined from time to time by the Treasurer shall be paid to the office on moneys in the Government Insurance Office Fund and the Treasury Guarantee Fund.

(6) Moneys accumulated through the agency of the Treasury Insurance Branch before the first day of July, one thousand nine hundred and twenty-six, in respect of insurance against liability under the Workmen's Compensation Act, 1916, and the Workmen's Compensation (Amendment) Act, 1920, or under any other statute or at common law, which are transferred to the Government Insurance Office Fund in accordance with subsection one of this section, and which in the opinion of the general manager are not required for the purpose of discharge of liabilities, charges, and expenses in connection with such insurance may from time to time be paid by the office to the Consolidated Revenue Fund.

Other surplus funds of the office shall be carried to General Reserve Accounts.

(7) The Treasurer may advance such moneys to the office as the Governor may approve upon such terms and conditions as to repayment and interest as may be agreed upon.

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(8) The office may from time to time declare and pay such bonuses as the Treasurer may approve, and funds therefor shall be provided from General Reserve Accounts.

3. The Principal Act is further amended—

Further amend-
ment of Act
No. 18, 1927.
Substituted
s. 5.

(a) by omitting section five and by inserting in lieu thereof the following section :—

5. The office may from time to time, with the approval of the Treasurer, invest and reinvest any of its funds—

- (a) in any Commonwealth Government security ;
- (b) in loans secured by such mortgage of land in New South Wales as a trustee is authorised to invest in by section fourteen of the Trustee Act, 1925, as amended by subsequent Acts ;
- (c) in fixed deposits with the Treasury ;
- (d) in fixed deposits with any bank ;
- (e) in such other manner as may be pre- scribed.

Any securities of the office may from time to time be realised, hypothecated, or otherwise pledged or disposed of by the office for any of the purposes of this Act.

(b) by omitting section six and by inserting in lieu thereof the following section :—

Substituted
s. 6.

6. (1) No person carrying on insurance business of any kind within the State of New South Wales shall without lawful cause and excuse refuse to allow additional insurance to be effected with the office in respect of any insurance risk which he has undertaken.

Insurers to
allow addi-
tional insur-
ance with
the office.

(2) Any person committing any contra-vention of this section shall be guilty of an offence against this Act and shall on summary conviction be liable to a penalty not exceeding *one hundred* pounds for every such offence, and to a further penalty not exceeding *fifty* pounds for each week during which any such offence is continued.

(3)

(3) Nothing in this section shall be construed to prohibit the cancellation of any policy of insurance by any person for reasons of prudence if the insured is granted a return of his premiums calculated pro rata in respect of the cancelled policy.

(c) (i) by omitting from section seven the words "Colonial Treasurer" and by inserting in lieu thereof the words "General Manager";

Sec. 7. (Separate accounts.)

(ii) by inserting at the end of the same section the following new subsections :—

(2) The office shall as soon as practicable after the thirtieth day of June in each year, prepare and transmit to the Treasurer statements of accounts in a form approved by the Auditor-General exhibiting a true and correct view of the financial position and transactions of the office.

(3) The accounts of the office shall be audited by the Auditor-General who shall have in respect thereof all the powers conferred on the Auditor-General by any law now or hereafter to be in force relating to the audit of public accounts, and the Audit Act, 1902, and Acts amending the same shall apply to the office and its officers in the same manner as it applies to accounting officers of Public Departments.

(4) Towards defraying the cost and expenses of such audit the office shall pay to the Consolidated Revenue Fund such sums at such times as the Treasurer may direct.

(d) by omitting from section nine the words "Colonial Treasurer may appoint any person as his" and by inserting in lieu thereof the following words: "office may, subject to the approval of the Treasurer, appoint any person as its";

Sec. 9. (Agents.)

(e)

Government Insurance (Amendment).

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- (e) by omitting from section ten the words "Colonial Treasurer for any reason which he" and by inserting in lieu thereof the following words: "office for any reason which it"; Sec. 10.
(Power to decline insurance.)
 - (f) (i) by inserting in section eleven next after the words "report by" the words "the office shall be furnished to"; Sec. 11.
(Report to Parliament.)
 - (ii) by inserting in the same section after the word "Act" the word "and";
 - (g) by omitting the Schedule. Schedule.
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