



ANNO DECIMO QUINTO

GEORGI V REGIS.

A.D. 1924.

No. 1659.

An Act to provide for the Deposit of Security by Companies carrying on the Business of Insurance, other than Life Insurance, in South Australia.

[Assented to, January 8th, 1925.]

BE it Enacted by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

1. This Act may be cited as the "Insurance Companies (Deposits) Act, 1924." Short title.

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

"Company" means any person or association of persons, whether corporate or unincorporate, not being an association registered under any Act relating to friendly societies or trade unions, whether established before or after the commencement of this Act, and whether established within or without the State :

"General insurance business" means any insurance business of whatever kind not included in the term "life insurance."

3. (1) After the expiration of six months from the passing of this Act no company shall carry on in the State any class of general insurance business, unless it has deposited with the Treasurer a sum of money determined in the manner specified in the Schedule to this Act.

Deposits by insurance companies.
Cf. Qld., No. 27 of 1916, s. 10.
N.Z., No. 40 of 1921-22, s. 3.
W.A., No. 19 of 1918, s. 3.

(2) If any company carries on any class of general insurance business in contravention of the provisions of this section, the company

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company, and its attorney, shall be severally liable to a penalty not exceeding One Hundred Pounds for every day on which such business is carried on.

Investment of deposits.

Cf. ibid., s. 12.

Ibid., s. 6.

Ibid., s. 3 (3), (4), and (5).

4. (1) Every sum of money deposited with the Treasurer by a company pursuant to the next preceding section shall be invested and re-invested from time to time as occasion requires in South Australian Stock of such currency and bearing interest at such rate as are in force for the time being in respect of such South Australian Stock issued to ordinary investors.

(2) The interest on all such Stock shall be paid to the company depositing the sum of money.

(3) The investment and redemption shall be at par.

Alternative method of giving security.

5. (1) Notwithstanding anything in this Act, the obligation imposed by this Act upon a company to deposit with the Treasurer any specific sum of money may be satisfied in whole or in part by the deposit by the company of securities of equal value issued, or guaranteed, by the Government or the Parliament of the State or of the Commonwealth.

(2) The value of any such securities shall, for the purposes of this section, be deemed to be the face value thereof: Provided that, if the market value of any securities deposited by a company under this section is at any time below par, the Treasurer may, at his discretion, and from time to time, require the company to deposit further securities to such an amount that the total market value of all the securities deposited by the company equals the total amount of the deposit required to be made by the company under this Act.

(3) Every security deposited with the Treasurer under this section shall (unless it is negotiable) bear or be accompanied by an assignment in blank executed by the company making the deposit.

(4) Every reference in this Act to the sum of money required by section 3 to be deposited with the Treasurer shall be deemed to include, *mutatis mutandis*, a reference to any securities substituted in whole or in part therefor under the authority of this section, and the Treasurer may, if he thinks fit, convert any such securities into money by sale, hypothecation or otherwise, for the purpose of satisfying any such final judgment against the company making the deposit as mentioned in section 7 of this Act.

Where share capital of a company is acquired by some other company, one deposit may suffice.

6. If it is proved to the satisfaction of the Treasurer that any company has acquired the share capital of any other company or companies, and that such companies are under a common management in Australia, a deposit as required by this Act by the acquiring company shall, if the Treasurer so certifies, be a sufficient compliance with the requirements of this Act: Provided that, for the purpose of computing the sum of money required by this Act to be deposited by the acquiring company, the income of that company shall be deemed to be the sum of the incomes of the acquiring company and the company or companies whose share capital was acquired.

7. (1) Subject

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7. (1) Subject to this Act, the Treasurer shall hold every sum of money deposited under this Act upon trust for the payment and satisfaction of all final judgments given against the company making the deposit in respect of all insurance policies and contracts issued and entered into by the company in the State, which judgments are not otherwise satisfied.

Application of deposits.
Cf. *ibid.*, s. 12 (4).
Ibid., s. 7.
Ibid., s. 3 (7).

(2) No sum of money deposited with the Treasurer under this Act shall be liable to be attached or levied upon or made subject to any debts of or claims against the company making the deposit, except as mentioned in the next preceding subsection.

8. (1) If any company which has deposited with the Treasurer a sum of money under this Act ceases to carry on general insurance business in the State, the company may withdraw the sum so deposited:—

Return of deposits.
Cf. *ibid.*, s. 12 (5).
Ibid., s. 8.

(a) on the expiration of three months after service on the Treasurer of a notice in writing duly signed on behalf of the company stating that the company has ceased to carry on general insurance business in the State; and

(b) on satisfying the Treasurer that the company has not from the date of the service of the notice carried on general insurance business in the State; and

(c) on satisfying the Treasurer that all the liabilities of the company in the State are fully liquidated or provided for.

(2) The Treasurer shall cause every notice served on him under this section, and also his decision with regard to the proposed withdrawal to be published at the cost of the company in such manner as he thinks fit.

9. All proceedings in respect of any contravention of this Act shall be disposed of summarily.

Legal proceedings.

10. The allegation in any complaint under this Act that any body or association therein named is an incorporated body under any Act shall be *prima facie* evidence of the fact alleged.

Evidence

11. The Governor may by regulation prescribe the forms of returns necessary to be made by companies for the purpose of this Act, and may require any person or company to furnish such returns, and may make all such regulations as are necessary or convenient for the purpose of carrying this Act into execution, and may by any regulation impose a penalty not exceeding One Hundred Pounds for breach of the same or any other regulation made under this Act.

Regulations.

In the name and on behalf of His Majesty, I hereby assent to this Bill.

TOM BRIDGES, Governor.

THE

THE SCHEDULE.

MANNER OF CALCULATING THE SUMS OF MONEY REQUIRED TO BE DEPOSITED PURSUANT TO SECTION 3.

The deposit required under this Act shall be the sum of Two Thousand Five Hundred Pounds plus twenty-five per centum of the premium income of the company during the period of twelve months next preceding the date of making the deposit: Provided that no company shall be required to deposit more than Ten Thousand Pounds. If at the close of any period of twelve months, calculated from the day of the year on which the first deposit was made, the amount deposited by any company is less than a sum equal to Two Thousand Five Hundred Pounds plus twenty-five per centum of the premium income of the company during the said period of twelve months, the company shall forthwith deposit such further sum as will bring the total amount of the deposit up to such sum as aforesaid: Provided that in the case of a company which commences to carry on business after the expiration of three months from the commencement of this Act the foregoing provisions of this Schedule shall apply as though the sum of Five Thousand Pounds were substituted for Two Thousand Five Hundred. In this Schedule "premium income" means the premium income of a company from general insurance premiums in the State after deducting re-insurances.