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[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1926.

A BILL

To authorise and enable the Colonial Treasurer to carry on the business of insurance of liability under the Workers' Compensation Act, 1926, and under certain other Acts or at Common Law in respect of injuries to workers; and to carry on certain other insurance business and to continue to carry on the insurance of risks and liabilities as were heretofore insured by him through the agency of the Treasury Insurance Branch; to validate certain contracts of insurance effected through that agency; to indemnify the Colonial Treasurer and all officers of the Treasury in respect of any payments made out of certain accounts in Special Deposits Account in connection with insurance; 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. This Act may be cited as the "Government Insurance (Enabling and Validating) Act, 1926," and shall be deemed to have come into force on the thirtieth day of June, one thousand nine hundred and twenty-six.

Short title
and com-
mencement.

2. The Colonial Treasurer is hereby authorised and empowered—

Power to
carry on
workers'
compensation
and certain
other
insurance
business.

- (a) to undertake and carry on in the State the general business of insurance or indemnity against any liabilities of employers and others, in respect of or in relation to personal injuries to workers or employees, whether for compensation, damages, costs, or other benefits under the Workers' Compensation Act, 1926, and any Act amending the same, or under any other Act, or under any Act of the Parliament of the Commonwealth of Australia, or under any Imperial Act, or at common law ;
- (b) to undertake and carry on all classes of insurance business and guarantee business (other than life insurance) in relation to any matter in which the State of New South Wales or any Government department or statutory body representative of the State has an interest (whether such interest is at law an insurable interest or not) ;
- (c) to undertake and carry on insurance of or against loss or damage to any property or against any liability of any contractor used or to be used or which may be incurred in connection with or contingent upon any contract with the Government or any such statutory body ;
- (d) to undertake and carry on insurance or guarantee business (other than life insurance) for benefits and against liabilities and risks for any officers of the Public Service or of any such

such statutory body subject to such restrictions and conditions (if any) as may be prescribed by regulations;

- (e) to undertake and carry on any insurance or class of insurance or reinsurance or guarantee business which prior to this Act has been undertaken or carried on through the agency of the Treasury Insurance Branch subject to such restrictions and conditions (if any) as may be prescribed by regulations;
- (f) to insure or reinsure by treaty or otherwise the whole of or any part of any such risks or liabilities with any company or underwriter carrying on the business of insurance in the State or elsewhere, or to coinsure with and accept reinsurances from any such company or underwriter in respect of any such risks or liabilities;
- (g) to do anything necessary or incidental to the powers and authorities of this Act.

3. (1) Any agency or office established by the Colonial Treasurer, with the approval of the Governor-in-Council, for the purpose of conducting and carrying on all such insurance business and operations as are within the authority of this Act, the establishment of such an agency or office being hereby authorised, shall be a sub-department of the Treasury Department, and shall, subject to the control of the Colonial Treasurer, be under the administration of a general manager.

Government
Insurance
Office.

All or any of the powers conferred by this Act upon the Colonial Treasurer may, in writing under his hand, be delegated to the general manager. Any such delegation may be in like manner revoked or varied.

(2) In case of illness or absence of the general manager, any or all of the powers and duties which may for the time being be delegated to the general manager shall be exercised and be performed by such other officer as the Colonial Treasurer may direct.

(3) The general manager and such other officers as may be necessary for the purpose of carrying out the powers, duties, authorities, and obligations conferred or imposed

imposed by this Act may be appointed from time to time under and subject to the provisions of the Public Service Act, 1902.

4. (1) All premiums and other moneys received in respect of any insurance or service within the authority of this Act shall be paid into the accounts referred to in subsection two of this section, and, together with all moneys in credit in any such accounts at the commencement of this Act, and interest allowed in accordance with this section, shall be the funds available for the purposes of this Act.

Special
Deposits
Account.

(2) The accounts for the purposes of this Act shall be those in Special Deposits Account opened by the Colonial Treasurer specified in the Schedule to this Act and such other accounts therein as may at any time be opened for the purposes of this Act.

(3) Interest at a rate to be determined from time time by the Colonial Treasurer shall be allowed on the funds at credit in any such accounts.

(4) Any funds accumulated in respect of insurance against liability under the Workmen's Compensation Act, 1916, and the Workmen's Compensation (Amendment) Act, 1920, and at Common Law, and not required for the purpose of discharge and satisfaction of liabilities, charges and expenses in connection therewith, may from time to time be transferred to the Consolidated Revenue Fund.

Certain funds
to be
transferred to
Consolidated
Revenue
Fund.

5. Any surplus funds, determined as such by the Auditor-General after provision for all actual and contingent liabilities on the accounts, shall be disposed of in such proportions as the Colonial Treasurer may decide in the following manner :—

Disposal of
surplus
funds.

- (a) carried to General Reserve Accounts to be opened in Special Deposits Account, the funds of which shall be invested and re-invested from time to time in securities of the State, of such currency and bearing interest at such rates as are in force for the time being in respect of such securities issued to ordinary investors, and any such securities may at any time be realised, hypothecated, or otherwise disposed of for the purposes of this Act.

(b) carried to Bonus Reserve Accounts, to be opened in Special Deposits Account, and moneys in credit therein or such portion thereof as may be determined by the Colonial Treasurer may at any time be used or applied in payment or allowance of bonuses to actual holders of insurance with any office or agency established under the authority of this Act.

6. Any funds which may at any time be transferred by way of advance from one account to another with the approval of the Colonial Treasurer, excepting any funds transferred from or to any General Reserve Account or any Bonus Reserve Account, shall be repayable with interest at a rate to be determined by the Colonial Treasurer. Internal transfer of funds.

7. The Colonial Treasurer shall cause to be kept books containing a separate and distinct account in respect of each class of insurance business undertaken. Separate accounts.

8. Every policy or contract of insurance or indemnity issued or entered into within the authority of this Act is hereby guaranteed by the Government of New South Wales, and any liability arising under such guarantee shall be payable out of the Consolidated Revenue Fund. Guarantee by State.

9. The Colonial Treasurer may appoint any person as his agent for the purposes of this Act in any part of the State. Agents.

10. Subject to the provisions of the Workers' Compensation Act, 1926, the Colonial Treasurer for any reason which he may deem to be sufficient may decline to enter into any contract of insurance or reinsurance. Power to decline insurance.

11. Once every year a report by the Colonial Treasurer covering operations carried on under the authority of this Act shall be laid before both Houses of Parliament. Report to Parliament.

12. (1) The Governor may make regulations not inconsistent with this Act, prescribing all matters and things which are necessary or convenient to be prescribed for carrying out and giving effect to this Act. Regulations.

- (2) The regulations shall—
 - (a) be published in the Gazette ;
 - (b) take effect from the date of such publication, or from a later date to be specified in the regulations ;
 - (c) be laid before both Houses of Parliament within fourteen sitting days after such publication if Parliament is then in session, and if not, then within fourteen sitting days after the commencement of the next session.

If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing the regulation or any part thereof, the regulation or part shall thereupon cease to have effect.

13. No contract of insurance entered into by or on behalf of the Colonial Treasurer by any officer of the Treasury before the passing of this Act shall be held to be invalid merely on account of the want of power or authority in the Colonial Treasurer to enter into such a contract. Validation.

14. The Colonial Treasurer, his predecessors in office, the officers of the Treasury for the time being, and all persons whosoever concerned or engaged in making any withdrawal or payment from any account in Special Deposits Account in the Treasury made before the passing of this Act in satisfaction of or in connection with claims arising under any contract of insurance or indemnity entered into by or on behalf of the Colonial Treasurer by any officer of the Treasury are hereby indemnified and held harmless for and in respect of such withdrawals or payments. Indemnity.

Government Insurance (Enabling and Validating).

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SCHEDULE.

Sec. 4 (2).

DESIGNATION of Accounts in Special Deposits Account at the Treasury.

Designation of Account.	Amended Designation from 1st July, 1926.
Treasury Fire Insurance Fund ...	Fire and Marine Insurance Fund.
Treasury Workmen's Compensation Fund.	General Accident Insurance Fund.
Treasury Guarantee Fund
Compensation Insurance Fund