

New Zealand.

ANALYSIS.

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1889, No. 14.

Title. AN ACT to amend the Law relating to Fire and Marine Insurance Companies carrying on Business in New Zealand.
[16th September, 1889.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. The Short Title of this Act is "The Fire and Marine Insurance Companies Act, 1889."

Interpretation.

2. In this Act, if not inconsistent with the context,—

"Company" means any association, person, or persons, corporate or incorporate, who, within the colony, carry on the business of fire and marine insurance conjointly, or the business of fire or marine insurance, or who carry on such business or either of them in common with any other business; and includes companies registered or established out of New Zealand, and mutual associations as well as proprietary:

"Foreign company" means a company, as hereinbefore defined, registered or established beyond the limits of New Zealand:

“Local company” means a company, as hereinbefore defined, registered or established within New Zealand :

“Registrar” means a Registrar of Joint-stock Companies appointed or acting under “The Companies Act, 1882.”

3. Any company carrying on business at the date of the passing of this Act may, notwithstanding anything to the contrary contained in section three of “The Companies Act, 1882,” be registered under that Act with limited liability, if such company shall have a paid-up capital intact to the extent of not less than fifty thousand pounds.

Fire and Marine Insurance Company may be registered under “The Companies Act, 1882,” with limited liability, if it have a capital of £50,000 intact. Meaning of expression “capital intact.”

For the purposes of this and the succeeding sections of this Act the expression “capital intact” shall mean that the company in relation to which such expression is used has a paid-up capital to the amount mentioned clear of all claims or demands then actually due or pending, or that could be enforced against such company, and not being contingent liabilities arising out of or in relation to the business of the company.

4. Any such company which has been registered with unlimited liability under “The Companies Act, 1882,” or under any Act thereby repealed, may be re-registered under the provisions of section two hundred and sixty-six and the following sections of the said Act, with limited liability.

Companies registered with unlimited liability may be re-registered with limited liability.

On such re-registration, a shareholder of such company shall be liable to pay only to the extent of the amount unpaid on the nominal or subscribed value of the share or shares held by him, and no more; but without prejudice, however, to any debts, liabilities, obligations, or contracts incurred or entered into by, to, with, or on behalf of such company prior to re-registration, all of which may be enforced as in section two hundred and sixty-six of the said Act is mentioned.

Liability of shareholders.

5. When a company is re-registered under the preceding provisions of this Act it shall be made to appear to the Registrar, either by the last balance-sheet issued by the company, or by such other satisfactory documentary evidence as the Registrar thinks sufficient, that such company has, at the time of or immediately prior to such re-registration, not less than fifty thousand pounds of paid-up capital intact.

When company re-registered evidence that it has a paid-up capital of £50,000.

6. On the re-registration of a company under the preceding provisions of this Act, such company shall be liable to pay all fees which may be chargeable under “The Companies Act, 1882,” in respect thereof, but shall not be liable for and during the year in which such re-registration has been effected to obtain any fresh license or to pay any duty under sections one hundred and one and one hundred and two of “The Stamp Act, 1882,” and the annual license already issued in respect of such company shall continue in force, and be available for such re-registered company for the remaining part of such year only.

Registration fees payable on re-registration, but no new license under “Stamp Act, 1882,” necessary.

7. Any local company hereafter incorporated under “The Companies Act, 1882,” may be registered under that Act as a company with limited liability; but no such company shall commence to do business in New Zealand unless and until it has a paid-up capital of fifty thousand pounds: Provided that it shall be a sufficient compliance with this section if it shall be made to appear to the Registrar that the capital of such company consists of twenty-five thousand pounds

Local companies may hereafter be registered as companies with limited liability.

actually paid up and intact and twenty-five thousand pounds called up and payable within six months after the date of registration.

And no company within the meaning of this section shall carry on business within New Zealand after the expiration of eight months from the date of such registration unless the whole amount of fifty thousand pounds has been fully paid up and is kept intact.

When a local company may be registered for purpose of insuring property of shareholders.

8. Any local company hereafter incorporated under "The Companies Act, 1852," and so incorporated for the purpose of insuring only the property of its own shareholders, and of no other person, may be registered as a limited liability company under that Act, if such company shall have a paid-up capital intact of not less than twenty-five thousand pounds, and also an uncalled capital of not less than twenty-five thousand pounds :

Provided that the company shall not insure the property of any shareholder holding a share or shares to a less amount than ten pounds of nominal capital of which not less than five pounds shall have been paid up.

Provided further that, if any such company shall insure the property of any person other than a shareholder as aforesaid, the company shall be liable to a penalty not exceeding fifty pounds for every insurance so effected; and provided also that, when the paid-up capital of any such company as shown by its balance-sheet shall be reduced below twenty-five thousand pounds, the provisions of section nine of this Act shall, *mutatis mutandis*, apply.

If balance-sheet of company shows less capital, same to be made up to required amount, or directors liable for debts of company.

9. Where at any time the balance-sheet of any company that has been re-registered or registered with limited liability under this Act shows less than fifty thousand pounds of capital intact, the directors of such company shall, without delay, call up sufficient capital to make up such fifty thousand pounds, and such additional capital shall be payable within four months from the date of the balance-sheet which showed the deficiency of capital intact.

After the expiration of a period of six months from the date of such balance-sheet, if such additional capital is not paid up, the company shall cease to carry on business in New Zealand as a limited company; and if it continue to carry on business, the shareholders of such company shall be liable for its debts, contracts, and engagements as if such company was not registered with limited liability.

Foreign companies to have like paid-up capital intact.

10. Every foreign company with limited liability which at the date of the passing of this Act carries on business, or which shall hereafter commence to carry on business, in New Zealand shall have a paid-up capital intact of not less than fifty thousand pounds.

To be liable to certain provisions of "Companies Act, 1882," and "Foreign Companies Act, 1884," and to deposit balance-sheets, &c.

No such company shall so carry on business unless it has complied with Part VIII. of "The Companies Act, 1882," or "The Foreign Companies Act, 1884," as the case may require, and shall also, together with any power of attorney or other instrument required to be deposited or filed under the said Acts, deposit a verified copy of the last balance-sheet of such company, or such other documentary evidence as may sufficiently prove that the company has such paid-up capital intact :

Provided that, in respect of companies so carrying on business at the date of the passing of this Act, the obligation to have such paid-up

capital and to deposit such balance-sheet or other documentary evidence as aforesaid shall not take effect till the expiration of twelve months from the passing of this Act.

11. At least once in each year after the date on which the first balance-sheet or other evidence was deposited as aforesaid, every such foreign company shall cause a true and duly-verified copy of the last balance-sheet issued by such company to be deposited at the place where such power of attorney is deposited as aforesaid.

Balance-sheets to be deposited yearly. If paid-up capital less than required amount, company not to carry on business.

If any such balance-sheet shows that the fifty thousand pounds paid-up capital is not intact within the meaning of this Act, and the deficiency is not made up within six months, the onus of proof of which shall lie on the attorney or agent of the company, such company shall be incapable of carrying on business in New Zealand, and shall cease to carry on such business until this Act has been fully complied with.

12. Unless expressly authorised by the terms of an Act of Parliament of Great Britain and Ireland, or by Royal Charter or Letters Patent granted or issued in Great Britain, or by the terms of some Act of the Legislature of any British colony or dependency, every foreign company within the meaning of this Act shall have, and for all purposes and on all occasions shall use, the word "Limited" as the last word in the name of such company.

Foreign company to use word "Limited," unless expressly authorised to contrary.

13. Every local company registered or re-registered in accordance with the provisions of this Act shall have, and for all purposes and on all occasions shall use, the word "Limited" as the last word in the name of such company.

Local companies to add word "Limited" after name.

14. No Registrar shall hereafter issue a certificate of incorporation to a local company, either upon the first registration or upon a re-registration of such company, until the provisions of this Act have been fully complied with.

Registrar not to issue certificate of incorporation unless Act complied with.

15. Every company to which this Act applies which commences to carry on business or which shall continue business without complying with the requirements of this Act, or which, after and during any period within which it is prohibited from carrying on business in New Zealand, delivers any policy of insurance, or collects any premiums, or transacts any other business of insurance shall be liable to a penalty not exceeding fifty pounds for every day during which it shall so fail to comply with this Act, or transacts any other business as aforesaid; and in the case of a foreign company, the attorney, agent, or other officer acting in the general management of the business of such company shall also be personally liable to such penalty.

Penalty on companies for non-compliance with Act.

16. Every such penalty may be recovered in a summary way before two or more Justices of the Peace.

Penalties may be recovered before two or more Justices.