

WESTERN AUSTRALIA

ANNO QUINQUAGESIMO TERTIO

VICTORIÆ REGINÆ

No. 12

An Act to regulate Life Assurance.

[Assented to 4th December, 1889.]

WHEREAS it is expedient to encourage the practice of Life Assurance, and to protect persons assured: Be it therefore enacted by His Excellency the Governor of Western Australia and its Dependencies, by and with the advice and consent of the Legislative Council thereof, as follows:—

Preamble

1. This Act is divided into three parts, as follows:—

Division

PART I.—Preliminary:

PART II.—Provisions for Security of Assured:

PART III.—Application of Companies Act, Procedure, and Miscellaneous.

PART I

PRELIMINARY

2. This Act may be cited as 'The Life Assurance Companies Act, 1889.'

Short title

3. In this Act the following terms have the following meanings, unless the context requires a different construction—

Interpretation

'Company' means any persons, corporate or unincorporate, who grant assurances, endowments, or annuities upon human life within Western Australia:

'Chairman' means the person for the time being presiding over the board of directors, committee of management, or other managing body in Western Australia of the company:

'Policy' means any contract for assurance, endowment, or annuity on human life:

'Life assurance business' means the granting of policies:

'Financial year' means each period of twelve months at the end of which the balance of the accounts of the company is struck, or if no such balance is struck, then each period of twelve months ending with the thirty-first day of December:

'Court' means the Supreme Court of Western Australia:

'Registrar' means the Registrar of Joint Stock Companies under 'The Joint Stock Companies Ordinance, 1858':

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- ‘Local company’ means a company having its head office in Western Australia :
 ‘Foreign company’ means a company not having its head office in Western Australia.

PART II

PROVISIONS FOR SECURITY OF ASSURED

Companies to
deposit securities
with Treasurer

4. Every company which shall commence or carry on the business of life assurance within the Colony shall deposit with the Colonial Treasurer securities to the value of Ten thousand pounds, being mortgages of freehold real estate in Western Australia, on which the money advanced does not exceed two-thirds of the value of the estate mortgaged, or title deeds or certificates of real estate, or bonds, debentures, treasury bills, or other securities issued by the Government, or by any municipal corporation in the Colony, duly authorised in that behalf, or the receipt of some incorporated or chartered joint stock bank carrying on business in Western Australia, and approved by the Colonial Treasurer, for moneys placed on fixed deposit at the said bank in the name of the Colonial Treasurer, the income arising from such deposit being received by the company : Provided always, that any local company shall not be required to deposit more than fifty per centum on the amounts of the premiums actually received until the deposit shall amount to Ten thousand pounds.

Time for making
deposits

5. As regards any company which now carries on the business of life assurance in Western Australia, the deposit may be made at any time not later than one year after this Act shall come into operation ; and as regards any company formed after this Act, the deposit may be made at any time within six months of its incorporation or registration ; and no company shall be deemed to carry on the business of life assurance by reason only of receiving premiums in respect of policies issued before this Act shall come into operation.

Further deposits
to be made out
of receipts

6. Every company which shall carry on the business of life assurance in Western Australia shall send in annually to the Colonial Treasurer, on or before the first day of June in each year, returns, verified by the certificate of the agent or principal officer of the company in Western Australia, of the amounts received and paid by the company during the year ending the thirty-first day of December then last, or on such other date as the financial year of each company shall determine, on account of policies issued in Western Australia by the company, whether before or after the commencement of this Act, and shall, until the total amount deposited by the company under section 4 and this section shall amount to the sum of Twenty thousand pounds, deposit with the Colonial Treasurer securities similar to those mentioned in section 4 to the value of twenty-five per centum of the excess of the receipts over the disbursements appearing from such returns.

Provision in
case of loss of
securities

7. If any securities deposited under this Act are, whilst so deposited, lost, stolen, destroyed, or damaged, the injury occasioned to all persons interested shall be made good out of moneys to be appropriated for the purpose by an Act of the Legislative Council.

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8. Any company may from time to time deposit with the Colonial Treasurer any securities of any kind, and to any amount, besides and beyond the securities hereby required to be deposited.

Further deposits
may be made

9. Any company depositing any securities under this Act shall be entitled to receive the income therefrom, and securities deposited may be withdrawn on timely notice, and, where the deposit is compulsory, on the substitution of similar securities of equal value, and the decision of the Colonial Treasurer shall be conclusive in all matters relating to the value of securities under this Act.

Income and
withdrawal of
deposits

10. All securities deposited with the Colonial Treasurer under this Act shall be primarily charged with the payment and satisfaction of all the liabilities in Western Australia of the depositing company, whether arising in respect of policies issued before or after the commencement of this Act or otherwise howsoever, and no part of such securities shall be applied in payment of any liabilities other than those so charged as aforesaid until the whole of such last-mentioned liabilities shall be paid in full.

Securities de-
posited to be
charged with
liabilities in
Western Aus-
tralia

11. Every foreign company shall keep a separate account of all the life assurance business transacted in Western Australia, and of the entire assets of the company in Western Australia; and in the event of the company becoming bankrupt, or being ordered to be wound up, the entire assets of the company in Western Australia shall be applied, so far as the same will extend, in or towards satisfaction of the liabilities of the company in Western Australia, and no part of such assets shall be applied in payment of any liabilities of the company incurred elsewhere than in Western Australia until the whole of the liabilities incurred in Western Australia shall have been paid in full.

Discharge of
Western Aus-
tralian liabilities
of foreign
companies

12. If any foreign company is adjudged bankrupt, or ordered to be wound up, elsewhere than in Western Australia, such company, so far only as regards its assets and liabilities in Western Australia, may, upon the application of any policy-holder or shareholder, be ordered to be wound up in Western Australia in like manner as if such company were registered under 'The Joint Stock Companies Ordinance, 1858,' and proof of such company having become adjudged bankrupt, or ordered to be wound up, shall be conclusive evidence that it is unable to pay its debts.

Mode of distribu-
tion of assets of
insolvent foreign
company

13. Any director, agent, officer, or servant of any company wilfully committing or assisting in the commission of any breach of the provisions of section 11 shall be deemed guilty of a breach of trust, and be held liable to replace the amount applied contrary to the said section, and shall also be deemed guilty of a misdemeanour punishable on conviction, at the discretion of the Court, by imprisonment for any term not exceeding three years, or by a fine not exceeding Five hundred pounds.

Penalty for
infringement
of Act

14. Every company transacting other business besides life assurance business shall keep a separate account of all receipts after the passing of this Act in respect of the life assurance business of the company, and the said receipts shall be carried to and form a separate fund to be called the 'Life Assurance Fund' of the company, and such fund, however invested, shall be as absolutely the security of the life assurance policy-holders as though it belonged to a company carrying

Separation of life
assurance and
other business

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on no other than life assurance business, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only life assurance business.

Application of
preceding section
to existing
companies

15. In respect to all existing companies the exemption of the life assurance fund from liability for other obligations than to its life assurance policy-holders shall have reference only to the contracts entered into after the passing of this Act, unless by the constitution of the company such exemption already exists; but this and the preceding section shall not apply to any contracts made by any existing company by the terms of whose deed of settlement or articles of association the whole of the profits of all the business are paid exclusively to the life and endowment policy or annuity holders and on the face of which contracts the liability of the insurers distinctly appears: Provided always, that this Act shall not diminish the liability of the life assurance fund for any contracts of the company entered into before the passing of this Act.

Accounts to be
rendered by life
assurance com-
panies

16. Every company transacting life assurance business only shall, at the expiration of each financial year or half-year of such company, prepare a statement of its revenue account for such year or half-year, and of its balance-sheet at the close of such year or half-year, in the forms respectively contained in the First and Second Schedules to this Act.

Accounts to be
rendered by
companies carry-
ing on life assur-
ance and other
business

17. Every company which, concurrently with the transaction of life assurance business, transacts any other kind of assurance or other business, shall, at the expiration of each financial year of such company, prepare a statement of its revenue account for such year, and of its balance-sheet at the close of such year, in the forms respectively contained in the Third and Fourth Schedules to this Act.

Accounts to be
rendered by
foreign com-
panies

18. Every foreign company shall, at the expiration of each financial year of such company, prepare, in addition to all other statements required by this Act, a statement of all its policies in force at the close of such year, in the form contained in the Fifth Schedule to this Act.

Actuarial report
and abstract

19. Every company shall, once in five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its articles of association, regulations, or by-laws, cause an investigation to be made into its financial condition by an actuary, and shall cause an abstract of the report of such actuary to be made in the form prescribed in the Sixth Schedule to this Act.

Statement of life
annuity business

20. Every company shall, on or before the thirty-first day of December, One thousand eight hundred and ninety, and thereafter within nine months after the date of each such investigation as aforesaid into its financial condition, prepare a statement of its life assurance and annuity business, in the form contained in the Seventh Schedule to this Act, each of such statements to be made up as at the date of the last investigation, whether such investigation be made previously or subsequently to the passing of this Act: Provided as follows—

- (1) If the next financial investigation, after the passing of this Act, of any company fall during the year One thousand

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eight hundred and ninety-one, the said statement of such company shall be prepared within nine months after the date of such investigation instead of on or before the thirty-first day of December, One thousand eight hundred and ninety :

- (2) If such investigation be made annually by any company, such company may prepare such statement at any time, so that it be made at least once in every three years.

The expression 'date of each such investigation,' in this section, shall mean the date to which the accounts of each company are made up for the purposes of each such investigation.

21. Any company whose head office or principal place of business is not in Western Australia may, in lieu of the statement and abstract mentioned in the preceding two sections, deposit at the office of the Registrar a copy, certified in accordance with the 17th section of the Act of the Imperial Parliament known as the 'Life Assurance Companies Act, 1870,' of the last preceding statement or abstract deposited with the Board of Trade in conformity with the provisions of the 10th section of the said Act.

Forms authorised by Imperial Statute, 'Life Assurance Companies Act, 1870,' may be used in certain cases

22. The Governor may alter the forms contained in the Schedules to this Act, for the purpose of adapting them to the circumstances of any company, or of better carrying into effect the objects of this Act.

Forms may be altered

23. Every statement or abstract hereinbefore required to be made shall be signed by the chairman and two of the directors or committee of management, or by the agent of the company in Western Australia, and by the principal officer or agent managing the life assurance business of the company in Western Australia, and if the company has a managing director in Western Australia, by such managing director, and shall be printed ; and the original so signed as aforesaid, together with three printed copies thereof, shall be deposited at the office of the Registrar within three months of the dates respectively hereinbefore prescribed as the dates at which the same are to be prepared ; and every annual statement so deposited after the first investigation, after the passing of this Act, shall be accompanied by a printed copy of the abstract required to be made as aforesaid.

Statements, &c., to be signed and printed and deposited with Registrar

24. A printed copy of the last deposited statement, abstract, or other document, by this Act required to be printed, shall be forwarded by the company, by post or otherwise, to every shareholder, member, and policy-holder of the company in Western Australia.

Copies to be furnished

25. Every foreign company shall, within six calendar months after the coming into operation of this section, or before doing business in Western Australia, in writing, appoint a person resident therein as general agent, upon whom all lawful processes against the company may be served with like effect as if the company existed in this province ; and the said writing or power of attorney shall stipulate and agree, on the part of the company making the same, that any lawful process against the said company which is served on the said general agent shall be of the same legal force and validity as if served on the said company.

Agent to be appointed for foreign companies

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Copy of writing
to be filed in
office of Registrar

26. A copy of the writing, duly certified and authenticated, shall be filed in the office of the Registrar, and copies certified by him shall be sufficient evidence in all Courts of law and in all judicial proceedings.

Agency to continue as long as
any liability outstanding in the
Colony

27. The said agency shall continue while any liability remains outstanding against the company in Western Australia, and the power shall not be revoked until the same power is given to another such agent and a like copy filed as aforesaid.

Service of process, &c., on agent
sufficient

28. Service of any process, notice, or otherwise upon the said agent shall be deemed sufficient service upon the principal.

Penalty for non-compliance

29. No person shall act either as general or other agent of a foreign company until he has complied with all the requirements of this Act; and every person so acting without such compliance, or who knowingly procures payment, or any obligation for the payment, of any premium for insurance or endowment, or for sale of an annuity by fraudulent representations, shall be liable to a penalty not exceeding Two hundred and fifty pounds for each offence.

When contracts
valid

30. Every contract for life assurance made by any foreign company without complying with the provisions of this Act contained in the sections numbered 25 to 29, both inclusive, shall be valid and binding on the company; but the agent making the contract shall be liable to the penalty provided in section 31 of this Act; and any such company which neglects to appoint and keep appointed a general agent agreeably to the provisions of this Act shall not recover any premium or other payment on any contract of life assurance with a person resident in Western Australia.

Companies may
be prohibited
from transacting
business in certain
cases

31. Every company which makes default in complying with the provisions of this Act shall not only be liable to the penalties set forth in the 44th section, but may also, if it be made to appear to the Governor that such default has continued for a period of three months, be prohibited by the Governor from transacting business within the province, either absolutely or for a time, as the Governor may think fit.

Prohibition to be
published in
'Government
Gazette'

32. Such absolute or temporary prohibition shall be published in the 'Government Gazette' of Western Australia; and if any such company, or any person as agent for such company, or otherwise for or on behalf of any such company, shall, after such absolute prohibition, or during any such temporary prohibition, receive any applications for any life assurance, or accept any premium for any life assurance, or otherwise carry on the business of life assurance within Western Australia, such company and person shall respectively be liable to a penalty of Two hundred and fifty pounds.

Interest of
Assured not
liable under
certain circumstances

33. The property and interest of every policy-holder in any policy or policies, or in the moneys payable under or in respect of such policy or policies (including every sum payable by way of bonus or profit), shall be exempt from liability to any law now or hereafter in force, relating to bankruptcy or insolvency, or from liability to be seized or levied upon by the process of any Court whatever. Provided that no policy for a life assurance or endowment shall be so protected until it shall have endured for at least two years, but that after an endurance

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of two years such protection shall be afforded to the extent of two hundred pounds of assurance or endowment, and to the contributions made towards the same; and after an endurance of five years, to the extent of five hundred pounds; and after an endurance of seven years, to the extent of one thousand pounds; and after an endurance of ten years, to the extent of two thousand pounds; and that no policy for providing an annuity, nor the contributions made towards the same, shall be protected until the payments made on behalf of such annuity shall have extended over a period of six or more years, or unless it shall have been purchased at a date more than six years prior to the commencement of the annuity, and that such annuity shall not exceed the sum of one hundred and four pounds per annum. Provided also, that the protection hereby afforded shall, in the case of an annuity, accrue only to the benefit of the policy-holder himself, and only to such part thereof as shall be payable after he shall have attained the age of fifty years; and, in case of an endowment, for the benefit of the nominee only; and, in the case of a life assurance, for the benefit of the personal representatives only of the policy-holder, and in no case for any assignee of the policy-holder.

In case any policy-holder, or in case of the death of any policy-holder his personal representative, entitled to protection under the preceding section has an interest in a policy or policies to an amount greater in the whole than the sums thereunder protected, he shall be entitled after execution has issued, or a bankruptcy petition or order has been presented and granted, to elect by a writing under his hand, notice of which shall be given to the Company and also to the Sheriff in case of execution issued, and to the trustees of the estate in case of bankruptcy, which of such policies or what part of such policies, up to the limit of the value specified in the preceding clause, shall be so protected. Provided that if he should fail or from any cause be unable so to elect within ten days after being called upon so to do by notice in writing signed by the Sheriff or by such Trustee as the case may require, the Sheriff or such Trustee may then proceed to elect in like manner as the policy-holder could have done, and to have his title to such policy or policies, being in excess of value over the sums protected by the preceding section, registered in due form by the Company.

PART III

APPLICATION OF COMPANIES ACT, PROCEDURE, AND MISCELLANEOUS

34. The provisions of 'The Joint Stock Companies Ordinance, 1858,' and of any Act amending the same, shall apply to life assurance companies, except in so far as such provisions are modified by this Act, and except also that no life assurance company shall be required to hold more than one general meeting in the year.

Application of
Companies Act
to life assurance
companies

35. Every proprietary company shall provide a book, to be called 'The Shareholders Address Book,' in which the company shall cause to be entered from time to time, in alphabetical order, the corporate names and places of business of the several shareholders of the company being corporations, and the surnames of the several other shareholders,

List of share-
holders

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with their respective christian names, places of abode, and descriptions, so far as the same shall be known to the company; and every policy-holder or shareholder, or if such shareholder or policy-holder be a corporation, the clerk or agent of such corporations, may at all convenient times peruse such book *gratis*, and the company shall furnish on application, to every shareholder and policy-holder of the company, a copy of such book, or of any part thereof, on payment of a sum not exceeding Sixpence for every hundred words to be copied for such purpose.

Deed of settle-
ment to be
printed

36. Every company which is not registered under 'The Joint Stock Companies Ordinance, 1858,' shall cause a sufficient number of copies of its deed of settlement, Act, or charter of incorporation, or other instrument regulating the constitution of the company, to be printed, and shall furnish on application to every shareholder and policy-holder of the company a copy thereof, on payment of a sum not exceeding Two shillings and sixpence.

Amalgamation
or transfer

37. Where it is intended to amalgamate two or more companies, or to transfer the life assurance business of one company to another, the directors of any one or more of such companies may apply to the Court by petition to sanction the proposed arrangement, fourteen days' previous notice of such application being published in the 'Government Gazette' of Western Australia, and the Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may confirm the same if it is satisfied that no sufficient objection to the arrangement has been established.

Procedure

38. Before any such application is made to the Court, notice of such application, together with a statement of the nature of the amalgamation or transfer, as the case may be, and an abstract containing the material facts embodied in the agreement or deed under which such amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which such agreement or deed is founded, shall be forwarded to each policy-holder of both companies in cases of amalgamation, or to each policy-holder of the transferred company in case of transfer, by the same being transmitted through the post, directed according to the registered or other known address of such policy-holder, within such period as to admit of its being delivered in the due course of delivery fourteen days at least before the day named for the hearing of such application; and in proving such service it shall be sufficient to prove that such notice was properly addressed and put into the post office; and the agreement or deed under which such amalgamation or transfer is effected shall be open for the inspection of the policy-holders and shareholders at the office or offices of the company or companies for a period of fifteen days after the issuing of the abstract herein provided.

Conditions

39. The Court shall not sanction any amalgamation or transfer in any case in which it appears to the Court that policy-holders representing one-fifth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer, dissent from such amalgamation or transfer.

Confirmation

40. No company shall amalgamate with another, or transfer its business to another, unless such amalgamation or transfer is con-

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firmed by the Court in accordance with this section : Provided always, that this section shall not apply in any case in which the business of any company which is sought to be amalgamated or transferred does not comprise life assurance business.

41. When an amalgamation takes place between any companies, or when the business of one company is transferred to another company, the combined company or the purchasing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation or transfer, deposit at the office of the Registrar certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer, and a certified copy of the agreement or deed under which such amalgamation or transfer is effected, and certified copies of the actuarial or other reports upon which such agreement or deed is founded, and the statement and agreement or deed of amalgamation or transfer shall be accompanied by a declaration under the hand of the chairman of each company, and the principal managing officers of each company, that, to the best of their belief, every payment made, or to be made, to any person whatsoever on account of the said amalgamation or transfer, is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities, or other property, by or with the knowledge of any parties to the said amalgamation or transfer.

Statements in
case of amal-
gamation or
transfer

42. Where a company, either before or after the passing of this Act, has transferred its business to, or been amalgamated with, another company, no policy-holder in the first-mentioned company who shall pay to the other company the premiums accruing due in respect of his policy shall, by reason of any such payment made after the passing of this Act, or by reason of any other act done after the passing of this Act, be deemed to have abandoned any claim which he would have had against the first-mentioned company on due payment of premiums to such company, or to have accepted, in lieu thereof, the liability of the other company, unless such abandonment and acceptance have been signified by some writing signed by him, or by his agent lawfully authorised.

Regulation as to
novations by
policy-holders

43. Any person may, on payment of such fees as the Governor may direct, inspect at the office of the Registrar any printed or other document required by this Act to be deposited at such office, and procure copies thereof.

Inspection of
deposited
documents

44. Every statement, abstract, or other document deposited with the Registrar under this Act shall be receivable in evidence, and every document purporting to be certified by the Registrar to be such deposited document, and every document purporting to be similarly certified to be a copy of such deposited document, shall, if produced out of the custody of the Registrar, be deemed to be such deposited document as aforesaid, or a copy thereof, and shall be received in evidence as if it were the original document, unless some variation between it and the original document shall be proved.

Documents to
be received in
evidence

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Penalty for non-compliance with Act

45. Every company which makes default in complying with the requirements of this Act, and shall continue in such default for seven days after notice by the Registrar, or any person interested in the matter of such default, shall be liable to a penalty not exceeding Fifty pounds for every day during which the default continues; and in the case of a foreign company the general agent shall be liable to such penalty as well as the company; and in the case of companies registered under 'The Joint Stock Companies Ordinance, 1858,' if default continues for a period of three months after notice of default by the Colonial Treasurer, which notice shall be published in one or more newspapers as the Colonial Treasurer may direct, the Court may order the winding up of the company, in accordance with the said Act, upon the application of one or more policy-holders or shareholders.

Penalty for falsifying statements.

46. If any statement, abstract, or other document required by this Act is false in any particular to the knowledge of any person who signs the same, such person shall be guilty of a misdemeanour, and being convicted thereof shall be liable, at the discretion of the Court, to be imprisoned for any term not exceeding three years, or to a penalty not exceeding Five hundred pounds.

Surrender value to be declared

47. Every life assurance society shall declare the surrender value at which the said society becomes bound to accept their policies.

Recovery and application of penalties

48. Every penalty imposed by this Act shall be recovered and applied in the same manner as penalties imposed by 'The Joint Stock Companies Ordinance, 1858,' are recoverable and applicable.

Winding up of company

49. The Court may order the winding up of any company in accordance with 'The Joint Stock Companies Ordinance, 1858,' on the petition of five or more policy-holders or shareholders, upon its being proved to the satisfaction of the Court that the company is insolvent; and in determining whether or not the company is insolvent the Court shall take into account its contingent or prospective liability, under policies and annuity and other existing contracts.

Security for costs

50. The Court shall not give a hearing to the petition until security for costs, for such amount as a Judge shall think reasonable, shall be given, and until a *prima facie* case shall also be established to the satisfaction of the Judge.

Proprietary company

51. In the case of a proprietary company having an uncalled capital of an amount sufficient, with the future premiums receivable by the company, to make up the actual invested assets equal to the amount of the estimated liability, the Court shall suspend further proceedings on the petition for a reasonable time (in the discretion of the Court) to enable the uncalled capital, or a sufficient part thereof, to be called up, and if, at the end of the original or any extended time for which the proceedings have been suspended, such an amount shall not have been realised by means of calls as with the already invested assets shall be equal to the liabilities, an order shall be made on the petition as if the company had been proved insolvent.

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52. Where the business or any part of the business of a company has, either before or after the passing of this Act, been transferred to another company, under an arrangement in pursuance of which such first-mentioned company (in this Act called the subsidiary company), or the creditors thereof, has or have claims against the company to which such transfer was made (in this Act called the principal company), then, if such principal company is being wound up by or under the supervision of the Court, either at or after the passing of this Act, the Court shall (subject as hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may, by the same or any subsequent order, appoint the same person to be liquidator for the two companies, and make provisions for such other matters as may seem to the Court necessary, with a view to such companies being wound up as if they were one company, and the commencement of the winding up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding up of the subsidiary company. The Court, nevertheless, shall have regard, in adjusting the rights and liabilities of the members of the several companies between themselves, to the constitution of such companies, and to the arrangements entered into between the said companies, in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single company, or as near thereto as circumstances admit.

Winding up of
subsidiary com-
pany

53. The Court, in the case of a company which has been proved to be insolvent, may, if it thinks fit, reduce the amount of the contracts of the company or society, upon such terms and subject to such conditions as the Court thinks fit, in place of making a winding-up order.

Contracts of in-
solvent company
may be reduced

54. Where any subsidiary company, or company alleged to be subsidiary, is not in process of being wound up at the same time as the principal company to which it is subsidiary, the Court shall not direct such subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of such company against its being wound up, the Court is of opinion that such company is subsidiary to the principal company, and that the winding up of such company in conjunction with the principal company is just and equitable.

Provision in case
of subsidiary
company not
being in process
of winding up

55. An application may be made in relation to the winding up of any subsidiary company in conjunction with a principal company by any creditor or policy-holder of, or person interested in, such principal or subsidiary company.

Application for
winding up sub-
sidiary company

56. Where a company stands in the relation of a principal company to one company, and in the relation of a subsidiary company to some other company, or where there are several companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies, together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

Grouping of
companies

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| Valuation of policies | 57. Where a company is being wound up by the Court, or subject to the supervision of the Court, or voluntarily, the value of every life annuity and life policy requiring to be valued shall be estimated in manner provided by the Eighth Schedule. |
| Notice of valuation to be given | 58. When an assurance company is being wound up by the Court, or subject to the supervision of the Court, the official liquidator, in case of all persons appearing by the books of the company to be entitled to or interested in policies granted by such company for life assurance endowment, annuity, or other payment, is to ascertain the values of such policies, and give notice of such value to such persons; and any person to whom notice is so given shall be bound by the value so ascertained, unless he give notice of his intention to dispute such value in manner and within a time to be prescribed by a rule or order of the Court. |
| Notices to policy-holders | 59. Any notice which is by this Act required to be sent to any policy-holder may be addressed and sent to the person to whom notices respecting such policy are usually sent; and any notice so addressed and sent shall be deemed and taken to be notice to the holders of such policy. |
| Statements to be laid before Legislative Council | 60. There shall be laid annually before the Legislative Council the statements and abstracts of reports deposited with the Registrar under this Act during the preceding year. |
| Probate or administration may be dispensed with in certain cases | 61. Upon the death of any holder of a policy upon his own life for a sum not exceeding Two hundred pounds, if no probate of his will or letters of administration to his estate be taken out within three months after his death, the company may pay the amount of such policy to his widow, or any adult child of his, and the receipt of such widow or child shall be a valid discharge, both at law and in equity, for the same. |
| Receipts of executors or administrators valid discharges | 62. The receipt of the executor or administrator of any deceased policy-holder shall be a valid discharge, both at law and in equity, for any moneys payable under the policy held by him at the time of his death. |
| Assignment of policies | 63. Every assignment made after the first day of January, One thousand eight hundred and ninety, of a policy, may be made by memorandum of transfer indorsed upon such policy, in the form in the Tenth Schedule, and no such assignment shall be of any validity until registered as hereinafter provided. |
| Notice and registration | 64. Notice of every such assignment shall be given to the company for the time being liable upon the policy assigned, and such assignment shall be registered in a book to be provided by the company for that purpose, and the date of such registration shall be inserted in the memorandum of transfer, which shall be also signed by the principal officer managing the life assurance business of the company in Western Australia, or his deputy, and thereafter the assignee may sue, as well at law as in equity, in his own name, on the policy assigned, and the |

Life Assurance Companies

receipt of such assignee shall be a valid discharge, both at law and in equity, for all moneys payable thereunder. Every such memorandum of transfer signed as last aforesaid shall be conclusive evidence of the registration thereof, and of the date of such registration.

65. If any policy is assigned by way of mortgage, or upon any trust, such mortgage or trust shall be effected by way of defeasance or declaration of trust by some separate instrument, and no notice of any such mortgage or trust shall be entered on the memorandum of transfer or indorsed on the policy, and the company shall not be affected either by express, implied, or constructive notice of any such mortgage or trust, nor be bound or concerned to see to the application of any moneys payable under such policy.

No notice of mortgage or trusts

66. It shall be duty of the Colonial Treasurer to secure the due observance by every company of the provisions of this Act; and the Governor may, by regulation to be published in the 'Government Gazette' of Western Australia, declare what fees shall be payable by companies in respect of the duties to be performed hereunder by the Colonial Treasurer.

Duties of Colonial Treasurer

67. In case any policy or instrument required to be registered, or the production of which is in any way essential to any registration required to be made under this Act, shall be lost or destroyed, the manager upon such evidence, and subject to such conditions as he shall think fit, shall issue a certified copy of such policy, and he may, upon such conditions as he shall see fit, effect any registration, notwithstanding the loss or destruction of such instrument as aforesaid.

Registration in case policy lost

68. All policies for the time being on the Western Australian register shall be treated as Western Australian assets and liabilities of the company on whose register they are, and be subject in every respect to the laws of such colony.

Policies on Western Australian Register subject to laws of Colony

69. Any policy issued in Western Australia by a company, or transferred to the register of that company in Western Australia, may, at the request in writing of the policy-holder and with the consent of the company, be transferred to the register of that company in any other colony or country, and shall thereupon cease to be subject to the laws of this colony.

Transfers

70. Any policy issued outside Western Australia by a company, or transferred from the Western Australia register of that company to its register in any other colony or country, may, at the request in writing of the policy-holder and with the consent of the company, be transferred to the register of that company in Western Australia.

Transfers

71. The provisions of the two preceding sections shall be retrospective as well as prospective, and shall apply to transfers of policies already made, as well as to those which shall be made after the passing of this Act.

Operation of two preceding sections

F. NAPIER BROOME,
GOVERNOR.

SCHEDULES

FIRST SCHEDULE

Revenue Account

for the year ending

	£ s. d.		£ s. d.
18 (Date)		18 (Date)	
Amount of funds at beginning of the year		Claims under policies (after deduction of sums re-assured)	
Renewal premiums, after deduction of re-assurance premiums		Surrenders	
New premiums (after deduction of re-assurance premiums) on new policies, assuring £, and yielding an annual revenue of £, after deduction of re-assurances		Annuities	
Consideration for annuities granted		Commission on new premiums	
Interest and dividends		„ on renewals	
Other receipts (accounts to be specified)		Expenses of management	
		Dividends and bonuses to shareholders (if any)	
		Other payments (accounts to be specified)	
		Amount of funds at the end of the year, as per Second or Fourth Schedule	

NOTE 1.—Companies having separate accounts for annuities, to return particulars of their annuity business in a separate statement.

NOTE 2.—Items in this and in the accounts in the Third and Fifth Schedules should be the net amounts, after the deduction of the amounts paid and received in respect of re-assurances.

Life Assurance Companies

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SECOND SCHEDULE

Balance Sheet of the

on the

18

LIABILITIES		£ s. d.	£ s. d.	ASSETS		£ s. d.	£ s. d.
Shareholders' capital paid up (if any)	.	.	.	<i>In Western Australia—</i>			
Assurance fund	.	.	.	Western Australian Government securities	.	.	.
Annuity fund (if any)	.	.	.	Other Government securities (particulars to be specified)	.	.	.
Other funds (if any, to be specified)	.	.	.	Mortgages	.	.	.
				Loans on the company's policies	.	.	.
				Loans upon personal security	.	.	.
				Railway and other debentures and debenture stocks	.	.	.
				Railway shares (preferential and ordinary)	.	.	.
				House property	.	.	.
				Other investments (to be specified)	.	.	.
				Agents' balances	.	.	.
				Outstanding premiums	.	.	.
				Outstanding interest	.	.	.
				Cash—On deposit	.	.	.
				In hand and on current account	.	.	.
				Other assets (to be specified)	.	.	.
				Total assets in Western Australia	.	.	.
				<i>Elsewhere than Western Australia—</i>			
				British Government securities	.	.	.
				Indian and Colonial Government securities	.	.	.
				Foreign Government securities	.	.	.
				Mortgages (stating where)	.	.	.
				Loans on the company's policies	.	.	.
				Loans upon personal security	.	.	.
				Railway and other debentures, and debenture stocks	.	.	.
				Railway shares (preferential and ordinary)	.	.	.
				House property (stating where)	.	.	.
				Other investments (to be specified)	.	.	.
				Agents' balances	.	.	.
				Outstanding premiums	.	.	.
				Outstanding interest	.	.	.
				Cash—On deposit	.	.	.
				In hand and on current account	.	.	.
				Other assets (to be specified)	.	.	.
				Total assets elsewhere than in Western Australia	.	.	.
				Total assets	.	.	.

* These items are included in the corresponding items in the First Schedule.

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Life Assurance Companies

THIRD SCHEDULE
Revenue Account of the *for the year ending*
No. 1.—LIFE ASSURANCE ACCOUNT

(Date)	£ s. d.	(Date)	£ s. d.
Amount of life assurance fund at the beginning of the year .		Claims under life policies, after deduction of sums re-assured	
Renewal premiums, after deduction of re-assurance premiums		Surrenders	
New premiums (after deduction of re-assurance premiums)		Annuities	
on new policies assuring £ , and yielding an		Commission	
annual income of £ , after deduction of re-assurances		Expenses of management	
Consideration for annuities granted		Other payments (accounts to be specified)	
Interest and dividends		Amount of life assurance fund at the end of the year, as per	
Other receipts (accounts to be specified)		Fourth Schedule	
	£		£

NOTE.—Companies having separate accounts for annuities to return the particulars of their annuity business in a separate statement.

No. 2.—FIRE ACCOUNT

(Date)	£ s. d.	(Date)	£ s. d.
Amount of fire insurance fund at the beginning of the year .		Losses by fire, after deduction of re-assurance	
Premiums received, after deduction of re-assurances . .		Expenses of management	
Other receipts (to be specified)		Commission	
		Other payments (to be specified)	
		Amount of fire insurance fund at the end of the year, as per	
		Fourth Schedule	
	£		£

NOTE.—When marine or any other branch of business is carried on, the income and expenditure thereof to be in like manner stated in a separate account.

No. 3.—PROFIT AND LOSS ACCOUNT

(Date)	£ s. d.	(Date)	£ s. d.
Balance of last year's accounts		Dividends and bonuses to shareholders	
Interest and dividends not carried to other accounts . .		Expenses not charged to other accounts	
Profits realised (accounts to be specified)		Loss realised (accounts to be specified)	
Other receipts		Other payments	
		Balance as per Fourth Schedule	
	£		£

NOTE.—This account is not required if the items have been incorporated in the other accounts of this schedule.

FOURTH SCHEDULE

Balance Sheet of the

on the

18

LIABILITIES		ASSETS	
	£ s. d.		£ s. d. £ s. d.
Shareholders' capital		<i>In Western Australia—</i>	
General reserve fund (if any)		Western Australian Government securities	
Life assurance fund*		Other Government securities (particulars to be specified)	
Annuity fund (if any)*		Mortgages	
Fire fund		Loans on the company's policies	
Marine fund		Loans upon personal security	
Profit and loss (if any)		Railway and other debentures and debenture stocks	
Other funds (if any, to be specified)		Railway shares (preferential and ordinary)	
	£	House property	
Claims under life policies admitted but not yet paid*		Other investments (to be specified)	
Outstanding fire losses		Agents' balances	
Outstanding marine losses		Outstanding premiums	
Other sums owing by the company (accounts to be specified)		Outstanding interest	
		Cash—On deposit	
		In hand and on current account	
		Other assets (to be specified)	
		Total assets in Western Australia	
		<i>Elsewhere than in Western Australia—</i>	
		British Government securities	
		Indian and Colonial Government securities	
		Foreign Government securities	
		Mortgages (stating where)	
		Loans on the company's policies	
		Loans upon personal security	
		Railway and other debentures and debenture stocks	
		Railway shares (preferential and ordinary)	
		House property (stating where)	
		Other investments (to be specified)	
		Agents' balances	
		Outstanding premiums	
		Outstanding interest	
		Cash—On deposit	
		In hand and on current account	
		Other assets (to be specified)	
		Total assets elsewhere than in Western Australia	
	£	Total assets	£

* If the life assurance fund is in accordance with section 20 of this Act, a separate trust fund for the sole security of the life policy-holders, or a separate balance-sheet for the life branch, may be given in the form contained in the Second Schedule. In other respects the company is to observe the above form. See also note to Second Schedule.

Life Assurance Companies

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FIFTH SCHEDULE

1. New policies issued by the

during the year ending

	In West Australia				Elsewhere			
	No. of Policies	Sum Assured	Single Premiums	Annual Premiums	No. of Policies	Sum Assured	Single Premiums	Annual Premiums
Assurance								
Endowment								
Annuity		(per annum)				(per annum)		
Totals								

2. Policies discontinued in the

during the year ending

How discontinued	Assurance Policies			Endowment Policies			Annuity Policies		
	No.	Sum Assured	Annual Premiums	No.	Sum Assured	Annual Premiums	No.	Annuity per annum	Annual Premiums
By death or maturity		£ s. d.	£ s. d.		£ s. d.	£ s. d.		£ s. d.	£ s. d.
By surrender									
By forfeiture									
Total									

FIFTH SCHEDULE—continued

8. Policies of the existing on the

	In New South Wales		In Victoria		In New Zealand		In South Australia		In Queensland		In Tasmania		In West Australia		Elsewhere	
	No. of Policies	Sums Assured	No. of Policies	Sums Assured	No. of Policies	Sums Assured	No. of Policies	Sums Assured	No. of Policies	Sums Assured	No. of Policies	Sums Assured	No. of Policies	Sums Assured	No. of Policies	Sums Assured
Assurance . . .																
Endowment . . .																
Annuity . . .		per ann.		per ann.		per ann.		per ann.		per ann.		per ann.		per ann.		per ann.
Totals . . .																

4. Progress of the life assurance business of the since its establishment to

	No. of Policies	Sums Assured	Annuity per Annum	Annual Premiums
		£ s. d.	£ s. d.	£ s. d.
Total issued				
Total discontinued				
Existing				
Annual Income from interest				
Total Annual Income				

Life Assurance Companies

SIXTH SCHEDULE

Statement respecting the Valuation of the Liabilities under Life Policies and Annuities of the to be made by the Actuary

[The answers should be numbered to accord with the numbers of the corresponding questions.]

1. The date up to which the valuation was made?
2. The principles upon which the valuation was made, and whether these principles were determined by the instrument constituting the company or by its regulations, or by by-laws or otherwise?
 - (a) Were the policies valued individually or in classes?
 - (b) If in classes, how was the valuation age determined?
 - (c) What portion (if any) of a year's premium was assumed to be due?
 - (d) Were lives assured at increased rates assumed to be of the age at entry corresponding to the premium charged? If not, how were they dealt with?
3. The table or tables of mortality used in the valuation?
4. The rate or rates of interest assumed in the calculations?
5. By what table of mortality, and according to what rate of interest, have the net premiums valued been computed? Give specimens of such premiums for a whole life and an endowment assurance policy of £100, for ages at entry, 20, 25, 30, 35, 40, 45, 50, 55, 60.
6. The proportion of the annual premium income (if any) reserved as a provision for future expenses and profits? [*If none, state how this provision is made.*] In cases where assurances have been effected by single or limited premiums, state what provision has been made for expenses when the premiums cease to be payable.
7. The consolidated revenue account since the last valuation, or, in case of a company which has made no valuation, since the commencement of the business?
[*This return must be made in the form annexed.*]
8. The liabilities of the company under life policies and annuities at the date of the valuation, showing the number of policies, the amount assured, and the amount of premiums payable annually under each class of policies, both with and without participation in profits, and also the net liabilities and assets of the company, with the amount of surplus or deficiency? [*These returns must be made in the forms annexed.*]
9. The principles upon which the distributions of profit are made?
10. The time during which a policy must be in force to entitle it to share in the profits?
11. The results of the valuation, showing:—
 - (a) The total amount of profit made by the company.
 - (b) The amount of profit divided among the policy-holders, and the number and amount of policies which participated.
 - (c) Specimens of bonuses allotted to policies for £100, effected at the respective ages of 20, 30, 40, 50, and having been respectively in force for five years, ten years, and upwards, at intervals of five years, together with the amount appropriated under the various modes in which the bonus might be received.

*Consolidated Revenue Account of the _____ for _____ years,
commencing _____ and ending _____*

[Form referred to under heading No. 8 in Sixth Schedule]
Summary and Valuation of the Policies of the as at

[illegible]

Life Assurance Companies

The item 'extra premium,' in this Act shall be taken to mean the charge for any risk not provided for in the minimum contract premium. If policies are issued in or for any country, at rates of premium deduced from tables other than the European mortality tables adopted by the company, separate schedules, similar in form to the above, must be furnished.

[Form referred to under heading No. 8 in Sixth Schedule]

Valuation Balance-sheet of

as at

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Dr.	£ s. d.	Cr.	£ s. d.
To net liability under assurance and annuity transactions (as per summary statement provided in Seventh Schedule) .		By life assurance and annuity funds (as per balance-sheet under Third or Fifth Schedule)	
To surplus (if any)		By deficiency (if any)	
	£		£

SEVENTH SCHEDULE

*Statement of the Life Assurance and Annuity business of
the on the*

[The answers should be numbered to accord with the numbers of the corresponding questions. Statements of re-assurances, corresponding to the statements in respect of assurances under headings 2, 3, 4, 5, 6, and 7, are to be given.]

1. The published table or tables of premiums for assurances for the whole term of life which were in use at the date above mentioned?
2. The total number of policies and amounts assured on lives for the whole term of life which were in existence at the date above mentioned, distinguishing the portions assured with and without profits, stating separately the total reversionary bonuses, and specifying the sums assured for each year of life, from the youngest to the oldest ages?
3. The amount of premiums receivable annually for each year of life after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under heading No. 2, distinguishing ordinary from extra premiums?
4. The total amount of premiums which have been received from the commencement upon all policies mentioned under heading No. 2, which were in force at the above-mentioned date?
5. The total number of policies and amounts assured under classes of assurance business other than for the whole term of life, distinguishing the number of policies and the sums assured under each class, and stating separately the amount assured, with and without profits, and the total amount of reversionary bonuses?
6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under heading No. 5, distinguishing ordinary from extra premiums?
7. The total amount of premiums which have been received from the commencement upon all policies under each special class mentioned under heading No. 5, which were in force at the date above mentioned?
8. The total amount of immediate annuities on lives, distinguishing the amount for each year of life?
9. The amount of all annuities other than those specified under heading No. 8, distinguishing the amount payable under each class, the amount of premiums annually receivable, and the amount of consideration

10. The average rate of interest at which the life assurance fund of the company was invested at the close of each year during the period since the last investigation, together with a statement of the manner in which such average has been computed?
11. A table of minimum values (if any) allowed for the surrender of policies for the whole term of life, and for endowments, and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of its application to policies of different standing, and taken out at various interval ages, from the youngest to the oldest?
12. Separate statements to be furnished for business at other than European rates, together with a statement of the manner in which policies on unhealthy lives are dealt with?

Rule for Valuing an Annuity

Rule for Valuing a Policy

The premium to be calculated is to be such a premium as, according to the said rate of interest and rate of mortality, is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

Memorandum of Transfer

[illegible]