



ANALYSIS

- | | | |
|-----|--|--|
| | Title | |
| 1. | Short Title, commencement and division into Parts | 21. Statements and abstracts to be examined by Financial Secretary |
| | <u>PART I - LIFE INSURANCE COMPANIES</u> | 22. Copy of statement to be given to shareholders, etc. |
| 2. | Interpretation | 23. Documents may be inspected |
| 3. | Deposit by companies | 24. Documents to be received in evidence |
| 4. | Return as to total amount assured | 25. Non-compliance with this Part of Act |
| 5. | Voluntary deposits | 26. Falsifying statements, etc. |
| 6. | Income from deposits | 27. Other circumstances under which company may be wound up by the Court |
| 7. | Deposits may be withdrawn and others substituted | 28. Power of Court to reduce contracts |
| 8. | Decision as to value | 29. Notices to policyholders |
| 9. | Securities to be held in trust for policyholders in the Cook Islands | 30. Statements, etc., to be laid before Legislative Assembly |
| 10. | Certificate of incorporation not to be given to companies till deposit made | 31. General agent to be appointed |
| | | 32. Policy to contain certain statements |
| 11. | Withdrawal of voluntary deposits | 33. Penalty for non-compliance |
| 12. | Withdrawal of compulsory deposits | 34. When contracts valid |
| 13. | After notice given of withdrawal of compulsory deposit, company not to carry on business | 35. Companies may be prohibited from transacting business in certain cases |
| 14. | Life funds separate | <u>PART II - LIFE INSURANCE POLICIES</u> |
| 15. | Statements to be made by companies | 36. Interpretation |
| 16. | Statements by company doing other than life business | <u>Assignments and Mortgages of Policies</u> |
| 17. | Actuarial report and abstract | 37. Company not affected by notice of trust |
| 18. | Statement of life and annuity business | 38. Registration of transfer of policy |
| 19. | Forms may be altered | 39. Form and registration of mortgages |
| 20. | Statements, etc., to be signed, printed, and deposited with the Minister | 40. Covenants, etc., implied in mortgages |
| | | 41. Several mortgages may be registered |
| | | 42. Registration of mortgage after advances by the company |

43. Mortgagee when selling may execute assignment
44. Company or purchaser not affected by notice of improper sale, etc.
45. How mortgages discharged
46. How discharges registered
47. How title to policy acquired by bankruptcy, etc., registered
48. Reversion or vesting of policies assigned to husband or wife
49. Vesting policy without requiring probate or letters of administration
50. Registration, etc., of assignment of mortgages
51. Secretary before registering may require proof of signatures
52. Registration may be ordered by Court
53. Date of registration
54. Secretary to keep record of registrations
55. Notice of unregistered dealings not to affect company or purchasers
56. Provision for lost or destroyed policies or instruments
57. Courts may enforce equities
58. Fee for registration
59. Applying surrender value to keep policy in force
60. Policies to be kept in force by surrender value
61. Policies protected from bankruptcy, etc. Policy moneys not liable for debts or legacies
62. Policies protected
63. Declaratory provisions as to operation of sections 61 and 62
64. Insurances by Parents on Lives of Children
64. Conditions on which parents may insure lives of children
65. Special provisions as to policies effected on the lives of children
65. Moneys Payable Under a Policy for Benefit of Minors, etc.
66. Moneys payable to Registrar of High Court
67. Powers of Registrar receiving moneys
68. Registrar may apply moneys of minors, etc., for their maintenance, etc.
69. Payment to Registrar a valid discharge to company
70. How insurance moneys received by trustee may be invested
71. Income not required for maintenance, etc., to be capitalised
72. Insurances by Minors
72. Minor of fifteen may effect and deal with policy
73. Payments Without Probate
73. When payments may be made without requiring probate or administration
74. Annual Statement, etc., by Company
74. Company to furnish annual statements of all its policies
75. Separate statements of Cook Islands business
76. Penalty for non-compliance with Act Schedules

1970-71, No. 24

An Act to require deposits from and disclosure of business by life insurance companies and to provide protections for life insurance policyholders and to facilitate dealings in life insurance policies

(11 March 1971)

BE IT ENACTED by the Legislative Assembly of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short Title, commencement and division into Parts -
- (1) This Act may be cited as the Life Insurance Act 1970-71.
- (2) This Act shall come into force on the first day of April 1971.

- (3) This Act is divided into Parts, as follows:
- Part I - Life Insurance Companies (sections 2 to 35.)
- Part II - Life Insurance Policies (sections 36 to 76.)

PART I - LIFE INSURANCE COMPANIES

2. Interpretation - In this Part of this Act, if not inconsistent with the context, -

- "Chairman" means the person for the time being presiding over the board of directors of the company;
- "Company" means any person or association, corporate or unincorporate, not being established under any Act relating to friendly societies, which issues or is liable under policies of insurance upon human life in the Cook Islands, or which grants annuities upon human life in the Cook Islands; and includes companies established out of the Cook Islands as well as those established in the Cook Islands, and includes mutual associations as well as proprietary;
- "Court" means the High Court;
- "Financial Secretary" means the person appointed as Financial Secretary under the provisions of the Public Moneys Act 1969;
- "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;
- "Foreign company" means a company established out of the Cook Islands;
- "Local company" means a company established in the Cook Islands;
- "Minister" means the Minister responsible for finance;
- "Policy" includes a contract for a policy for securing a life insurance, endowment, or annuity;
- "Policyholder" means the person who for the time being is the legal holder of a policy for securing the life insurance, endowment, annuity, or other contract with the company.

3. Deposit by companies - (1) Every company which is now carrying on or hereafter commences to carry on in the Cook Islands the business of insurance upon human life or the grant of annuities shall deposit with the Financial Secretary money or securities to the amount of five thousand dollars, and to a further amount of five thousand dollars for every one hundred thousand dollars or part of one hundred thousand dollars by which the total amount assured by its policies current in its Cook Islands business exceeds one hundred thousand dollars until the total sum secured by the moneys or securities deposited amounts to twenty thousand dollars, which is the maximum amount of compulsory deposit.

(2) Such securities shall be mortgages of real estate in New Zealand, on which the money advanced does not exceed one-half the value of the land; or bonds, debentures, or other securities issued by the Government of the Cook Islands or the Government of New Zealand or of the Commonwealth of Australia or of any State thereof; or bonds, debentures, or other securities issued by the Superintendent of any province under the authority of any Act or Ordinance of the Legislature thereof; securities issued or authorised by the Imperial Government; and bonds, debentures, or other securities issued by any Harbour Board or Municipal Corporation in New Zealand under powers given by any Act of the General Assembly of New Zealand.

(3) The whole or any part of such deposit may be a deposit receipt given by any bank in the Cook Islands approved by the Financial Secretary, in the name of the Financial Secretary; and such deposit shall be deemed a security deposited with the Financial Secretary.

(4) If any securities deposited under this Act with the Financial Secretary are, while so deposited, lost, stolen, destroyed or damaged, the injury sustained by the persons making such deposit, or by any other person interested therein, shall be made good out of moneys to be appropriated for the purpose by the Legislative Assembly.

4. Return as to total amount assured - Every company which is now carrying on or hereafter commences to carry on business in the Cook Islands shall, unless it has deposited money or securities to the maximum amount prescribed by section 3 of this Act, furnish to the Minister in the months of January and July of each year, a return verified by the statutory declaration of the principal officer of the company in the Cook Islands or of its attorney or agent in the Cook Islands, showing the total amount assured by its policies current on the last day of December or of June, as the case may be, preceding the date of the return.

5. Voluntary deposits - Any company may from time to time, as it thinks fit, deposit with the Financial Secretary securities of such kinds as aforesaid, or any other securities, to any amount the company thinks fit, besides and beyond securities to the value of the said sums hereby required to be deposited.

6. Income from deposits - Whether such deposit as aforesaid is compulsory or voluntary, the company shall be entitled to receive the income therefrom.

7. Deposits may be withdrawn and others substituted - Any company may, on giving due notice to the Financial Secretary, withdraw from his custody any securities so deposited, on depositing with him securities of an equal value; and, in the case of compulsory deposit of such kinds as aforesaid, and any substituted securities, they shall for all purposes be treated as securities originally deposited.

8. Decision as to value - The Financial Secretary shall in any case, whether of original or substituted deposit, be the sole judge of the value of such securities for the purposes of such deposit, and his decision shall be final and conclusive on the company.

9. Securities to be held in trust for policyholders in the Cook Islands - Subject to the provisions of this Act, all securities so deposited by a company shall be held by the Financial Secretary in trust for policyholders, being such in respect of policies or other contracts issued, granted, or entered into in the Cook Islands by the company and for the time being in force.

10. Certificate of incorporation not to be given to companies till deposit made - (1) The Registrar under the Companies Act 1970-71 shall not issue a certificate of incorporation to a company unless such compulsory deposit as aforesaid has been made to the extent of five thousand dollars.

(2) Such deposit may be made by the subscribers of the memorandum of association of the company, or any of them in the name of the proposed company, and such deposit upon the incorporation of the company shall be deemed to have been made by and to be part of the assets of the company.

11. Withdrawal of voluntary deposits - (1) Any company which has made a voluntary deposit of securities under this Act may, on the following conditions being complied with, withdraw from such deposit any or all of the securities so deposited:

- (a) On the expiration of a notice in writing which shall be given to the Financial Secretary by the company at least six months before the intended withdrawal; and
- (b) On satisfying the Financial Secretary that, after the proposed withdrawal has been made, the remainder of the securities left on deposit would be equal in value, as estimated by the Financial Secretary, to the amount of the moneys insured or contracted to be paid by the company in or by the policies and other contracts issued, granted, or entered into in the Cook Islands by the company and still in force at the time when such withdrawal is intended to be made.

(2) The Financial Secretary shall cause every notice given as aforesaid, and also his decision with regard to every proposed withdrawal, to be published at the cost of the company, in such manner as he thinks fit.

12. Withdrawal of compulsory deposits - (1) Any company which has made a compulsory deposit of securities under this Act may, on ceasing to carry on the business of life insurance in the Cook Islands, and on the following conditions being complied with or performed, withdraw from such deposit any or all of the securities so deposited:

- (a) On the expiration of a notice in writing which shall be given to the Financial Secretary by the company at least six months before the intended withdrawal; and

- (b) On satisfying the Financial Secretary that, from the time of giving such notice until the date of the intended withdrawal, the company has not, except as to policies or contracts made before the giving of such notice, carried on the business of life insurance in the Cook Islands; and
- (c) On satisfying the Financial Secretary that, after the proposed withdrawal has been made, the remainder of the securities left on deposit would be equal in value, as estimated by the Financial Secretary, to the amount of the moneys insured or contracted to be paid by the company in or by the policies and other contracts issued, granted, or entered into in the Cook Islands by the company and still in force at the time when such withdrawal is intended to be made.

(2) The Financial Secretary shall cause every notice given as provided in this section, and also his decision with regard to every such proposed withdrawal, to be published at the cost of the company, as he thinks fit.

13. After notice given of withdrawal of compulsory deposit, company not to carry on business - A company having given any such notice as provided in the last preceding section shall not thereafter recommence to carry on the business of life insurance in the Cook Islands unless it first makes the compulsory deposit provided for in section 3 hereof as in the case of a company beginning to carry on such business; but such new deposit shall be treated as a separate deposit from any securities remaining deposited under the two last preceding sections:

Provided that the receipt of premiums or other moneys in respect of policies made before such notice, and the discharge of liabilities thereon, and the doing of other acts relating to such policies shall not be deemed to be a carrying on of business within the meaning of this section.

14. Life funds separate - In the case of a company established before or after the coming into operation of this Act transacting other business, besides that of life insurance, a separate account shall be kept of all receipts in respect of the life insurance and annuity contracts of the company, and the said receipts shall be carried to and form a separate fund (to be called the Life Insurance Fund of the company); and such fund shall be as absolutely the security of the life policy and annuity holders as though it belonged to a company carrying on no other business than that of life insurance, 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 that of life insurance.

15. Statements to be made by companies - Every company 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 First and Second Schedules hereto.

16. Statements by company doing other than life business - Every company which, concurrently with the granting of policies of insurance or annuities on human life, transacts any other kind of insurance or other business shall, at the expiration of each such financial year as aforesaid, prepare statements 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 hereto.

17. Actuarial report and abstract - Every company shall, once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or bylaws, 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 Fifth Schedule hereto.

18. Statement of life and annuity business - (1) Every company shall, within nine months after the date of each such investigation as aforesaid into its financial condition, prepare a statement of its life insurance and annuity business, in the form contained in the Sixth Schedule hereto.

(2) Each of such statements shall be made up as at the date of the last investigation:

Provided that if such investigation is made annually by any company, such company may prepare such statement at any time so that it is made at least once in every three years.

(3) The expression "date of each such investigation" in this section means the date to which the accounts of each company are made up for the purposes of each such investigation.

19. Forms may be altered - The Minister, on the application of or with the consent of a company, may alter the forms in the First to Sixth Schedules hereto, for the purpose of adapting them to the circumstances of such company, or of better carrying into effect the object of this Part of this Act.

20. Statements, etc., to be signed, printed, and deposited with the Minister - (1) Every statement or abstract hereinbefore required to be made shall be signed by the principal officer of the company managing the life insurance business in the Cook Islands, and shall be printed; and the original, so signed as aforesaid, together with three printed copies thereof, shall be deposited with the Minister within nine months of the dates respectively hereinbefore prescribed as the dates at which the same are to be prepared.

(2) Every annual statement so deposited shall be accompanied by three printed copies of the abstract required to be made by section 17 hereof.

21. Statements and abstracts to be examined by Financial Secretary - One of each of the printed copies of every statement or abstract so deposited as aforesaid shall be transmitted by the Minister to the Financial Secretary for examination and report by him, either alone or together with an actuary from time to time appointed by the Minister for the purpose; and the Financial Secretary, or if an actuary is appointed, then the Financial Secretary and such actuary, shall make such report to the Minister on such statement or abstract as he or they think fit, and the Minister may publish every such report in the Gazette.

22. Copy of statement to be given to shareholders, etc. - A printed copy of the last-deposited statement, abstract, or other document required by this Part of this Act to be printed shall be forwarded by the company, by post or otherwise, on application, to every shareholder and policyholder of the company.
23. Documents may be inspected - Any printed or other documents required by this Part of this Act to be kept by the Minister may, on payment of such fees as the Minister directs, be inspected by any person, who may also, on payment of such fees as are directed, obtain copies thereof.
24. Documents to be received in evidence - Every statement, abstract, or other document deposited with the Minister shall be receivable in evidence, and every document purporting to be certified by the Minister 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 Minister, 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 is proved.
25. Non-compliance with this Part of Act - (1) Every company which makes default in complying with any of the requirements of this Part of this Act, where no other penalties are expressly provided, is liable to a fine not exceeding one hundred dollars for every day during which the default continues; and in the case of a foreign company the general agent shall be liable to such fine as well as the company.
- (2) If default continues for a period of three months after notice of default by the Minister, which notice shall be published in one or more newspapers as the Minister directs, and after such publication, the Court may order the winding up of such company in accordance with the Companies Act 1970, on the application of one or more policyholders or shareholders.
26. Falsifying statements, etc. - If any statement, abstract, or other document required by this Part of this Act is false in any particular to the knowledge of any person who signs or deposits the same, such person shall be liable, on conviction thereof to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred dollars or to both.
27. Other circumstances under which company may be wound up by the Court - (1) A company registered as aforesaid may be wound up by the Court in accordance with the Companies Act 1970 on the application of one or more policyholders or shareholders, on its being proved to the satisfaction of the Court that the actual funds of the company are not of a net cash value equal to its liabilities, counting (as such) the net value of its policies according to the "combined experience" or "actuaries" rate of mortality, with interest at four per cent per annum; but the Court shall not give a hearing to the petition until security for costs, for such amount as the Judge thinks reasonable, is given, and until a prima facie case is established to the satisfaction of the Judge.

(2) 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 liabilities, 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 amount has not been realised by means of calls as with the already invested assets is equal to the liabilities, an order shall be made on the petition as if the company had been proved insolvent.

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

29. Notices to policyholders - Any notice which is required by this Part of this Act to be sent to any policyholder 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 holder of such policy.

30. Statements, etc., to be laid before Legislative Assembly - The Minister shall lay annually before the Legislative Assembly the statements and abstracts of reports deposited with him under this Part of this Act during the preceding year, although the Minister may be of opinion that they are not such statements or abstracts as are required to be prepared by this Act.

31. General agent to be appointed - (1) Every foreign company shall, before doing business in the Cook Islands, appoint in writing a person resident therein as general agent, on whom all lawful processes against the company may be served with like effect as if the company existed in the Cook Islands; 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 company which is served on the said general agent shall be of the same legal force and validity as if served on the company.

(2) A copy of the writing, duly certified and authenticated, shall be filed in the office of the Minister, and copies certified by him shall be sufficient evidence.

(3) The said agency shall be continued while any liability remains outstanding against the company in the Cook Islands, and the power shall not be revoked until the same power is given to another and a like copy filed as aforesaid.

(4) Service of any process, notice, or otherwise on the said agent shall be deemed sufficient service on the principal.

32. Policy to contain certain statements - In every policy or other contract issued by any foreign company to persons resident in the Cook Islands, it shall be expressly stated that the company will abide by the decision of the Court.

33. Penalty for non-compliance - 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 who so acts without such compliance, or who knowingly procures payments or any obligation for the payment of any premium for insurance or endowment, or for sale of an annuity, by fraudulent representations is liable to a fine not exceeding five hundred dollars for each offence.

34. When contracts valid - Every contract of insurance or for an endowment or annuity made by a foreign company without complying with the provisions of sections 31 to 33 hereof shall be valid and binding on the company, but the agent making the contract shall be liable to the fine provided in section 33 hereof; 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 insurance or for endowment or an annuity with a person resident in the Cook Islands.

35. Companies may be prohibited from transacting business in certain cases - (1) Every company which makes default in complying with the provisions of sections 3 to 29 hereof shall not only be liable to the penalties set forth in section 25 hereof, but may also, if it appears to the Minister that such default has continued for a period of three months, be prohibited by the Minister from transacting business in the Cook Islands, either absolutely or for a time, as the Minister thinks fit.

(2) Such absolute or temporary prohibition shall be published in one or more newspapers, as the Minister directs; and if any such company, or any person as agent for any such company, or otherwise for or on behalf of any such company, after such absolute prohibition, or during any such temporary prohibition, receives any applications for any life insurance, or accepts any premium for any life insurance or endowment, or any money for the sale of an annuity, or otherwise carries on the business of life insurance in the Cook Islands, such company and person shall respectively be liable to a fine of five hundred dollars for each and every act done in breach of this provision.

PART II - LIFE INSURANCE POLICIES

36. Interpretation - In this Part of this Act, if not inconsistent with the context, -

"Assignment" means an assignment of a policy made in accordance with the provisions of this Part of this Act otherwise than by way of mortgage as herein defined, and includes a surrender to the company issuing it;

"Company" means any person or association, whether incorporated or otherwise, not being established under any Act relating to friendly societies, which issues or is liable under policies as herein defined; and includes companies now or hereafter established out of the Cook Islands as well as those now or hereafter established in the Cook Islands, and mutual associations as well as proprietary:

"Mortgage" means an instrument made in accordance with the provisions of this Act, and given as security over a policy for the payment, either certainly or contingently, of a sum of money, with or without interest thereon, or for the performance of any condition or agreement:

"Person insured" means the person on the contingencies of whose life the terms of any policy are dependent:

"Policy" means any contract, so long as such contract remains in force, heretofore or hereafter lawfully entered into by a company, the terms of which are dependent upon the contingencies of human life:

"Policyholder", "holder of a policy", and "holder" mean respectively the person for the time being legally entitled to a policy:

"Secretary" means the principal officer for the time being in the Cook Islands of a company, or any other officer whom the company appoints to act as secretary within the meaning of this Act.

Assignments and Mortgages of Policies

37. Company not affected by notice of trust - No company shall be bound to receive, or be liable in any way to be affected by, express, implied, or constructive notice, however given, of any trust hereafter created affecting any policy.

38. Registration of transfer of policy - (1) Every assignment of a policy by way of ordinary transfer shall be by transfer endorsed upon the policy, in the form or to the effect set forth in the Seventh Schedule hereto, and signed, or, in the case of a corporation, sealed, by the transferor and transferee; and shall be registered in a book to be provided by the secretary for that purpose, and the date of such registration shall be inserted in the form of transfer, which shall also be signed by the secretary, and thereafter such assignment shall have the effect of vesting the policy absolutely in the assignee, who shall thereupon become the holder of the policy and may thereafter sue in his own name on the policy assigned, and the receipt of such assignee shall be a valid discharge both at law and in equity for all moneys payable under the policy.

(2) Except in the case of assignments by way of ordinary transfer, an assignment shall be registered by leaving the same with the policy at the office of the company, whereupon the secretary shall, if in his opinion the assignment is in due form and properly executed, endorse on the policy a memorandum in the form or to the effect set forth in the Eighth Schedule hereto, and shall retain the assignment in the office of the company, and return the policy, with the said endorsement thereon, signed by himself, to the person leaving the same, unless the assignment is by way of surrender to the company liable under the policy, in which case he shall retain the policy.

(3) No assignment shall be of any validity until registered as herein provided, but this requirement shall not apply to assignments to the company issuing the policy.

(4) If any assignment is upon any trust, such trust shall be effected by way of declaration of trust by some separate instrument, and no notice of any such trust shall be inserted in the assignment or endorsed upon the policy.

(5) If the assignment is by way of surrender to the company liable under the policy assigned, it shall be in the form or to the effect set forth in the Ninth Schedule hereto.

39. Form and registration of mortgages - (1) Every mortgage made shall be in the form or to the effect set forth in the Tenth Schedule hereto and executed by the mortgagor.

(2) A mortgage, if not to the company liable under the policy, shall be registered by leaving the same, executed as aforesaid, with the policy and a certified copy of the mortgage, at the office of the company, whereupon the secretary shall, if the mortgage is in his opinion in due form and properly executed, endorse on such policy a memorandum, in the form or to the effect set forth in the Eleventh Schedule hereto; and also shall endorse on the mortgage a memorandum of the same having been registered, in the form or to the effect set forth in the Twelfth Schedule hereto; and shall retain the certified copy of the mortgage in the office of the company, and shall return the policy and the original mortgage, with the respective endorsements thereon signed by himself, to the person leaving the same.

(3) No such mortgage shall be of any validity until registered as herein provided.

(4) A mortgage of a policy to the company issuing the policy need not be registered, but shall take effect from the date thereof in the same manner as if it were registered.

40. Covenants, etc., implied in mortgages - (1) There shall be implied in every mortgage, not being a mortgage to the company liable under the policy mortgaged, the covenants, powers, conditions, and agreements set forth in the Thirteenth Schedule hereto, and such implied provisions shall have the like effect as if the same had respectively been set forth in such mortgage at length.

(2) There shall be implied in every mortgage to the company liable under the policy mortgaged the covenants, powers, conditions, and agreements set forth in the Fourteenth Schedule hereto, and such implied provisions shall have the like effect as if the same had respectively been set forth in such mortgage at length.

(3) All or any of the covenants, powers, provisions, conditions, and agreements set forth in the Thirteenth or Fourteenth Schedules may, if so expressed in the mortgage, be negatived, modified, or altered, or others may be added to the same, in any way not inconsistent with the provisions of this Act.

41. Several mortgages may be registered - In the case of mortgages which require registration in order to be valid, any number of mortgages may be registered against the same policy, but they shall take effect and have priority according to priority of the date of registration.

42. Registration of mortgage after advances by the company - Where the company issuing any policy has advanced money on the security of the policy, or has taken a mortgage thereover, and afterwards an instrument affecting such policy made to or in favour of any person other than the company is presented for registration, the secretary of the company shall be entitled to require as a condition precedent to registration that all persons claiming any interest under the instrument shall execute an acknowledgment, to be endorsed on such instrument, of the existence of such advance or mortgage by or to the company, and of the amount due to the company in respect thereof at the time of such acknowledgment.

43. Mortgagee when selling may execute assignment - A mortgagee, when he has sold a policy under the power of sale implied in his mortgage, may execute an assignment of the mortgaged policy, adding words in the assignment purporting that he has sold it in exercise of his power of sale as aforesaid; and thereupon all the provisions of this Act relating to the registration and effect of assignments shall apply to such assignment.

44. Company or purchaser not affected by notice of improper sale, etc. - No company whose secretary is required to register an assignment by a mortgagee, nor any purchaser from a mortgagee, shall be bound to inquire into the propriety or regularity of the sale, or be affected in any way by notice (express, implied, or constructive) that the same is in any way improper or irregular, or be bound or concerned to see to the application of the proceeds of a sale by a mortgagee.

45. How mortgages discharged - (1) Where the sum secured by a mortgage has been paid off either wholly or in part, or where for any other reason the mortgagee has become bound to discharge the mortgage either wholly or partially, he shall endorse on the mortgage held by him a memorandum of discharge in the form or to the effect set forth in the Fifteenth Schedule hereto, and the same, when registered, shall effectually release and discharge the policy from the mortgage to the extent specified in the memorandum of discharge.

(2) If any one or more of such discharges are only partial, further discharges, as often as the case may require, may be executed in the like form and registered in the like manner as specified in the preceding subsection.

46. How discharges registered - A memorandum of discharge shall be registered by leaving the mortgage, with such memorandum endorsed thereon, together with the policy, at the office of the company, whereupon the secretary shall, if the same is in his opinion in due form and properly executed, endorse on such policy a memorandum in the form or to the effect set forth in the Sixteenth Schedule hereto; and shall also endorse on the mortgage a memorandum of the same having been registered, in the form or to the effect set forth in the Seventeenth Schedule hereto; and shall return the mortgage and policy so endorsed to the person leaving the same, unless the mortgage is to the company, in which case the mortgage and policy shall be retained by the secretary.

47. How title to policy acquired by bankruptcy, etc., registered - Where the right to a policy is acquired by bankruptcy, or under a will or intestacy, or under a writ of execution issued out of any Court whatsoever, the person so acquiring such right and desiring to have his title to the policy registered shall produce the policy to the secretary, with the evidence necessary to establish such right; and the secretary, if satisfied with the said evidence, or with such further evidence as he may call for, shall endorse on the policy a memorandum in the form or to the effect set forth in the Eighteenth Schedule hereto, signed by himself, and return the policy to the person so acquiring title thereto, and such endorsement shall vest the policy in such person as fully and effectually as if it had been assigned to him under the provisions hereof.

48. Reversion or vesting of policies assigned to husband or wife - (1) Where a policyholder, being a man, has assigned a policy on his own life to his wife, or, being a woman, has assigned a policy on her own life to her husband, and such wife or husband has died in the lifetime of the policyholder without having disposed of such policy by will, and the premiums actually paid on such policy do not at the date of the death of the assignee exceed the sum of four hundred dollars, or where the sum assured by such policy does not, exclusive of bonuses, exceed four hundred dollars, such policy with all bonus additions thereto shall, subject to all outstanding interests or equities affecting the same, revert to and vest in the surviving husband or wife, as the case may be.

(2) Where a policy-holder, being a man, has assigned a policy on his own life to his wife, or, being a woman, has assigned a policy on her own life to her husband, and such wife or husband has died in the lifetime of the policyholder having made a will whereby she or he has disposed of any such policy, and the premiums actually paid on such policy do not at the date of the death of the assignee exceed the sum of four hundred dollars, or where the sum assured by such policy does not, exclusive of bonuses, exceed four hundred dollars, the company may without requiring probate of such will, by writing under the hand of the secretary, declare that the executor of such will, or any person who may be entitled under such will to such policy, is the holder of such policy, and may enter on such policy and shall register a memorial that such executor or other person is the holder of such policy, and thereupon such executor or other person shall become the holder of such policy, subject to all outstanding interests or equities affecting the same:

Provided that in any such case the company may require probate of any such will to be taken out.

49. Vesting policy without requiring probate or letters of administration - (1) Where the holder of a policy, not being the person insured, dies in the lifetime of the person insured, the company issuing the policy may, by writing under the hand of the secretary, in its discretion and without requiring probate or letters of administration, declare that any person is the holder of such policy who proves to the satisfaction of the company -

- (a) That he is entitled to the benefit of the rights conferred by the policy (whether under the will of the deceased policyholder or on the intestacy of the deceased policyholder); or

(b) That he is entitled to obtain probate of the will of the deceased policyholder, or letters of administration of his estate -

if the premiums actually paid on such policy do not exceed the sum of four hundred dollars, or if the sum payable under the policy, exclusive of bonuses, does not exceed four hundred dollars.

(2) Where any person is declared to be the holder of a policy as aforesaid the company shall enter on the policy and shall register a memorial that such person is the holder of the policy, and thereupon such person shall become the holder of the policy, subject to all outstanding interests or equities affecting the same.

(3) This section shall apply in the case of any such policy as aforesaid notwithstanding that the holder of the policy may have died before the passing of this Act.

50. Registration, etc., of assignment of mortgages - All the provisions of this Act as to assignment of policies, registration thereof, or otherwise registering title to a policy shall, mutatis mutandis, be read and construed as applicable to assignments of mortgages, registration thereof, and otherwise registering title to mortgages.

51. Secretary before registering may require proof of signatures - Before being required to effect any registration hereunder the secretary may require such reasonable evidence as he thinks fit as to the authenticity of the signatures thereto, or as to any other matters which might in his opinion affect the validity of such document.

52. Registration may be ordered by Court - (1) If the secretary refuses for any reason whatsoever to register any document or matter the registration whereof by him is hereby provided for, the person desiring to have such registration effected may call upon such secretary, by summons before a Judge of the High Court in Chambers, to show cause why such registration should not be effected, and, after hearing such evidence as is brought before him, either viva voce or upon affidavit, the Judge may make an order compelling such registration to be effected or otherwise as he thinks fit, and may make such order either with or without costs.

(2) If the Judge orders such registration to be effected, the secretary shall forthwith effect the same, and any registration effected in pursuance of and in conformity with a Judge's order shall absolutely discharge the secretary and his company of and from any responsibility or liability whatsoever for the consequences of such registration.

53. Date of registration - The date of registration to be placed by the secretary on any policy or instrument shall in all cases, and for all purposes of this Act, be deemed to be as nearly as possible the hour and day when such registration was first capable of being effected by the secretary.

54. Secretary to keep record of registrations - The secretary shall keep a record of each registration effected by him, by entries in the books of the company, in such manner as he thinks fit.

55. Notice of unregistered dealings not to affect company or purchasers - The secretary, the company, and all other persons whomsoever, in all transactions and dealings of any kind whatsoever about or in connection with any policy, shall not, except in the case of fraud, be affected by notice of any interest whatsoever in any policy which interest is not registered on the policy; and no registered dealings with the duly registered assignee or mortgagee of a policy shall, except in the case of fraud, be capable of being set aside or affected in any manner whatsoever by any such notice as aforesaid.

56. Provision for lost or destroyed policies or instruments - (1) Where a policy is lost or destroyed, or where an instrument required to be registered or the production of which is in any way essential to any registration required to be effected hereunder is lost or destroyed, the secretary may, on such evidence and subject to such terms and conditions as he in his own discretion thinks fit, issue a certified copy of such policy, which shall thereafter for all the purposes of this Act take the place of the policy lost or destroyed, and thereafter be the sole evidence of the contract made by the policy; or he may effect any registration on any such terms and conditions as he thinks fit, notwithstanding the loss or destruction of any such instrument as aforesaid.

(2) Where a certified copy of any policy has been issued under this section and is afterwards lost or destroyed, then another certified copy may in like manner be issued to take the place of the original policy, and so on as often as may be necessary.

57. Courts may enforce equities - Notwithstanding the provisions of this Act as to registration, nothing herein shall operate to prevent any Court of competent jurisdiction from enforcing any equities which may exist as between the parties to any transaction or matter relating to any policy or any interest therein, or in any moneys payable thereunder.

58. Fee for registration - A company may charge any fee not exceeding fifty cents for effecting any registration hereunder.

59. Applying surrender value to keep policy in force - (1) A company may, subject to any bylaws or regulations made by it or affecting it, and subject also to the terms and conditions of the policy, apply the surrender value of any policy, or any part of such surrender value, in payment of overdue premiums and interest thereon; and any moneys so applied, with accrued interest thereon, shall be a first charge on the money payable under such policy and on the surrender value thereof, and may be deducted therefrom as against any mortgagee or assignee whomsoever.

(2) Notwithstanding any provision in the bylaws or regulations of the company or the terms and conditions of the policy, the surrender value of any policy under which premiums are payable during the continuance of the policy and which has been in force for not less than three years, shall be not less than the total of the premiums paid.

60. Policies to be kept in force by surrender value - No policy shall become void by non-payment of premiums so long as the premiums and interest in arrear are not in excess of the surrender value as declared by the company issuing the same in the answer of such company given to the tenth question of the Sixth Schedule hereto.

61. Policies protected from bankruptcy, etc. Policy moneys not liable for debts or legacies - (1) Subject to the provisions of this Act, no policy now issued or hereafter to be issued, the holder of which becomes bankrupt under any law for the time being in force relating to bankruptcy, nor any interest in such policy or in any moneys payable thereunder, shall pass to the trustee in such bankruptcy, or in any way become part of such bankrupt's estate available for distribution among his creditors; nor shall such policy, or any interest therein, or in any moneys payable thereunder, be capable of being seized or levied upon or taken in execution by or under the process of any Court whatever, or pass under a general assignment of the policyholder's property, or become available for the payment of debts under an intestacy.

(2) Where a policyholder dies leaving a will, the policy moneys shall not be applied in payment of his debts or of any legacies payable under his will unless in and by his will he has by express words specially referring to such moneys declared that the same shall be so applied.

(3) Neither a general bequest of a policyholder's personal estate upon trust for payment of debts or legacies, nor a general direction for the payment of debts or legacies out of any fund of which under any such will the policy moneys are made to form part, shall be deemed to render any such moneys available for payment of debts or legacies.

62. Policies protected - (1) The protection afforded by the last preceding section shall apply in respect of all policies that are dependent on accident, sickness, death, or other contingencies of life, with the following exceptions, namely:

- (a) Any policy by virtue whereof, on the survival of the person insured, a sum becomes certainly payable at the end of a fixed term of less than seven years from the date of the policy;
- (b) Any policy in respect whereof premiums are payable at longer intervals than one year, or in respect whereof premiums are payable by unequal instalments, unless in any such case the policy has actually been in force for at least seven years;
- (c) Any policy in respect whereof premiums are not payable during the continuance of the policy or during seven years at least, unless in any such case the policy has actually been in force for at least seven years.

(2) The protection granted by the last preceding section shall extend only to an amount of insurance of four thousand dollars, together with the accrued or allotted profits thereon, and, in the case of annuities, to the sum of two hundred and eighty dollars per annum.

(3) If any policyholder entitled to protection under the last preceding section is the holder of a policy or policies assuring a greater amount on the whole than the limits specified in subsection (2) hereof, he shall be entitled after the happening of the event by reason of which the necessity for the protection arises, on being requested

so to do by the person who would be entitled to such policy or policies but for the said protection, by notice in writing served on him personally, or left at or posted to his last known place of abode or residence in the Cook Islands, to elect which of such policy or policies, or any part thereof up to the limits specified in the said subsection (2), shall be protected as aforesaid.

(4) If such person fails so to elect by notice in writing left at the office of the company liable under the policy within the time aforesaid, then the person otherwise entitled as aforesaid may elect in the like manner, and may thereupon proceed to have his title registered to such policy or policies as he thereby becomes entitled to.

(5) Such protection shall not avail to protect any policy from passing to a trustee in bankruptcy, if it is proved to the satisfaction of a Judge of the High Court, on a summons taken out by the said trustee to compel the registration of his title to the policy as such trustee, that such policy was taken out by the bankrupt with intent to defraud his creditors.

(6) No holder of a policy whose policy has been protected from bankruptcy by virtue of the last preceding section shall be capable, for a period of three years after his bankruptcy, of selling or assigning such policy, or of surrendering the same, except in consideration of a paid-up policy for the amount which may be purchased by such surrender value, or of mortgaging the same, except for the purpose of keeping the said policy in force; and no such mortgage shall operate to secure the payment of the moneys advanced on the security thereof, unless the said moneys so advanced are at the time of advancing the same wholly applied in making the payments necessary to keep the said policy in force.

(7) No secretary, in registering an assignment or mortgage, and no person taking an assignment or mortgage of a policy, shall be bound to inquire whether the holder of such policy has been bankrupt within three years; and, except in the case of fraud, no assignment, or mortgage, or registration shall be capable, as against the person acquiring title thereunder or the secretary effecting registration thereof or his company, of being set aside on the ground that it was such a policy as referred to in the last preceding subsection, and that the holder thereof had so assigned or mortgaged it in contravention of the terms of such subsection.

63. Declaratory provisions as to operation of sections 61 and 62 - The protection afforded to policyholders by sections 61 and 62 of the principal Act shall operate only as follows:

(a) Where the policyholder as defined by section 36 of this Act is the person insured, then for the protection of that person or of his estate:

(b) Where the policyholder as defined by the said section 36 is the wife, or husband, or a lineal ancestor or descendant of the person insured, then for the protection of all or any such persons (including the person insured) and of their estates to the extent of their several interests (if any) in the policy:

(c) Where, in any case to which the last preceding paragraph is not applicable, the policyholder as defined by the said section 36 is a person to whom the policy has been mortgaged, transferred, assigned, or otherwise disposed of, then for the protection of the person insured, or of the wife or husband, or of any lineal ancestor or descendant of the person insured, to the extent of any residual or other interest that any such person may have in the policy.

Insurances by Parents on Lives of Children

64. Conditions on which parents may insure lives of children - It shall be lawful for any parent to insure the lives of all or any of his children who are under the age of ten years at the date of effecting the insurance, and for any company to effect such insurance, subject to the following conditions:-

(a) No company shall insure or pay on the death of a child under five years of age any sum of money which, added to any sum of money payable by any other company, or by any society registered under any Act relating to friendly societies, on the death of such child, exceeds twelve dollars; or on the death of a child under ten years of age any sum of money which, added to any sum of money payable by any other company, or by any society registered under any Act relating to friendly societies, on the death of such child, exceeds twenty dollars:

(b) No company shall pay any sum on the death of a child under ten years of age except to the parent of the child or to the executor or administrator of such parent, and then only upon the production by such parent, or executor or administrator, of a certificate of death, in the form mentioned in the next succeeding paragraph, issued by the Registrar of Births and Deaths or other person having the care of the register of deaths, containing the particulars hereinafter mentioned:

(c) Whenever a certificate of the death of a child is applied for, for the purpose of obtaining a sum of money from a company, the name of such company and the sum sought to be obtained therefrom shall be stated to the Registrar of Births and Deaths, who shall write on or at the foot of such certificate the words "To be produced to the (Naming the company),

said to be liable for payment of the sum of \$ (Stating the sum)"; and all certificates of the same death shall be numbered in consecutive order, and the sum charged by the Registrar of Births and Deaths for each such certificate shall not exceed ten cents:

- (d) No Registrar of Births and Deaths shall give any one or more certificates of death for the payment in the whole of any sum of money exceeding twelve dollars on the death of a child under five years, or for the payment in the whole of a sum exceeding twenty dollars on the death of a child under ten years; and no such certificate shall be granted unless the cause of death has been previously entered in the register of deaths on the certificate of a Coroner, or of a medical officer who attended such deceased child during its last illness, or except on the production of a certificate of the probable cause of death under the hand of a registered medical practitioner, or of other satisfactory evidence of the same:
- (e) The company to which is produced a certificate of the death of a child which does not purport to be the first certificate shall, before paying any money thereon, be bound to inquire whether any and what sums of money have been paid on the same death by any other company or by any society registered under any Act relating to friendly societies:
- (f) If any company pays money on the death of a child under ten years of age otherwise than is provided by this Act, it shall be liable to a fine not exceeding two hundred dollars:
- (g) If any parent, or executor or administrator of a parent, claiming money on the death of a child produces any certificate of such death other than is herein provided to the company from which the money is claimed, or produces a false certificate, or one fraudulently obtained, or in any way attempts to defeat the provisions of this Act with respect to payments upon the death of children, the person so offending shall be liable to a fine not exceeding two hundred dollars.

65. Special provisions as to policies effected on the lives of children - (1) It shall be lawful for any insurance company to issue policies on the lives of children to provide -

- (a) For the repayment by the insurance company, on the death of any child in respect of whom a policy has been issued as aforesaid, of

the amount of the premiums paid to such company under that policy, either with or without simple or compound interest thereon at a rate not exceeding five per cent per annum; or

- (b) For the payment of money on the expiration of a certain period, or on the attainment of a specified age by the child in respect of whom a policy is issued.

(2) Nothing in section 64 of this Act shall apply with respect to any policy issued under this section in so far as such policy provides for the matters specifically authorised by this section.

(3) Nothing in section 64 of this Act shall be deemed to prohibit a company returning on the death of a child the premiums received on any policy, notwithstanding that such policy has been effected before the passing of this Act.

Moneys Payable Under a Policy for Benefit of Minors, etc.

66. Moneys payable to Registrar of High Court - (1) Where any moneys become payable under a policy to or for the benefit of a minor, or to or for any person otherwise incapable of exercising his rights, and if there is no trustee or other person capable in law of giving a valid discharge for such moneys on behalf of such minor or other person so incapable as aforesaid, the moneys becoming payable to or for such minor or person otherwise incapable of exercising his rights may be paid to the Registrar of the High Court, unless another trustee or other person as aforesaid is appointed in due course of law.

(2) In any such case the High Court or a Judge thereof, on application being made on behalf of the person beneficially interested, may appoint the Registrar of the High Court or any other person trustee of such moneys on such terms as such Court or Judge orders.

67. Powers of Registrar receiving moneys - If any moneys are paid to the Registrar of the High Court under subsection (1) of the last preceding section, he may, unless and until another trustee is appointed, act as trustee of such moneys as effectually and with all the like powers as if he had been duly appointed trustee of the same either under subsection (2) of the last preceding section or by any person entitled to appoint a trustee.

68. Registrar may apply moneys of minors, etc., for their maintenance, etc. - The Registrar of the High Court, whether acting under subsection (1) of section 66 hereof, or by special appointment, or any other trustee of moneys payable under a policy to or for the benefit of a minor or other person incapable as aforesaid, howsoever such trustee may be appointed, unless otherwise directed by the instrument appointing him trustee, may apply either the corpus or the interest of such moneys, in such mode as he in his own absolute discretion thinks fit, for the maintenance, education, protection, or advancement in life of any minor or of any other person on whose behalf he holds the same.

69. Payment to Registrar a valid discharge to company - The payment made to the Registrar of the High Court, or to any other trustee under this Act, shall be a valid and sufficient discharge to the company for the insurance money so paid; and the company shall not be bound to see to the application of such money, or be liable for the subsequent misapplication or non-application thereof by any such trustee.

70. How insurance moneys received by trustee may be invested - (1) The money received by the Registrar of the High Court, acting under subsection (2) of section 66 hereof, or by any trustee hereunder, unless otherwise directed by the instrument of appointment in the case of one specially appointed, may be invested by such trustee in Cook Islands Government securities or in New Zealand Government securities, or in the stock or debentures of any county, Road Board, or Municipal Corporation in New Zealand if secured on a special rate on property.

(2) Such money may also be invested on first mortgage of freehold land in New Zealand, but so that not more than two-thirds of the value of the same, as valued under the Valuation of Land Act 1951 of the New Zealand Parliament or by a valuator specially appointed by such trustee to value the same, shall be so advanced, with full power, however, to such trustee from time to time to alter, vary, and transpose the investments held.

71. Income not required for maintenance, etc., to be capitalised - All or any part of the annual income arising from the investment of the insurance money not required for the maintenance, education, or protection of such minor or other person shall be capitalised, and invested in the same manner as the money from which such income is derived.

Insurances by Minors

72. Minor of fifteen may effect and deal with policy - (1) A minor of or over the age of fifteen years may do, execute, suffer, and perform all acts, deeds, matters, and things necessary or proper for the purpose of effecting a policy on his own life; and may, subject to the approval of the Registrar of the High Court, surrender such policy, give discharges for the policy moneys, and dispose by will or otherwise of such policy or any interest therein, or deal with the same in any manner authorised by this Act, as fully and effectually as if he were of full age.

(2) So far as concerns the company issuing any policy, and so far as concerns any person claiming under any disposition of a policy made bona fide and for valuable consideration, it shall be conclusively presumed that the person who effected or disposed of the same was, at the time when he so effected the same or so disposed thereof, of or over the age of fifteen years:

Provided that this presumption shall not apply where the company issuing the policy, or the person claiming as aforesaid, had at the time of such issue or disposition as aforesaid actual personal knowledge that the person purporting to effect or dispose of the policy was under the age above mentioned.

(3) This section shall apply to any policy on the life of a minor of or over the age of fifteen years, whether such policy has been effected before or after such minor attained the age of fifteen years.

Payments Without Probate

73. When payments may be made without requiring probate or administration - (1) In any case in which the moneys payable under any policy are payable to the executor or administrator of any deceased person, including payments made under section 64 hereof, and do not exclusive of profits, exceed the sum of four hundred dollars after allowing for any moneys that may be payable to or deductible by the company liable under such policy, the company, without requiring probate or letters of administration, may pay such moneys, together with any profits which may have been added to such policy, to any person being either the husband, wife, father, mother, child, brother, sister, nephew, or niece of such deceased person, or to any person who can prove to the satisfaction of the company that he is entitled to the effects of the deceased person under his will (if any), or under the statutes for the distribution of the effects of intestates, or is entitled to obtain probate of the will of such deceased person, or to take out letters of administration of his property; and the company shall in every such case as aforesaid be thereby discharged from further liability in respect of the claim so paid:

Provided that the company may in any such case as aforesaid, if it thinks fit, require probate or letters of administration to be taken out, and thereupon pay such moneys to the executor or administrator of the deceased.

(2) All persons to whom such moneys as aforesaid are paid shall apply the same in due course of administration; and if the company thinks fit it may require such persons to give sufficient security by bond or otherwise that the moneys so paid will be so applied, but the company shall not be bound to see to the application of any such moneys.

Annual Statement, etc., by Company

74. Company to furnish annual statements of all its policies - Every company shall, at the expiration of each financial year of such company, prepare and deposit in like manner, and in addition to other statements required by Part I of this Act, a statement of all its policies at the close of such year, in the form contained in the Nineteenth Schedule hereto.

75. Separate statements of Cook Islands business - Every company shall keep a separate account of all its life insurance business transacted in the Cook Islands, and of the entire assets of the company in the Cook Islands; and shall, in addition to the annual statements of its whole business required under sections 15, 20, and 74 hereof, prepare separate statements of its business transacted in the Cook Islands, in the forms in the First, Second, Third, Fourth and Nineteenth Schedules hereto; and such statements shall be deposited with the Minister within five months of the expiration of the financial year of the company.

76. Penalty for non-compliance with Act - Every company which makes default in complying with the requirements of this Part of this Act, and continues in such default for seven days after notice by the Minister or any person interested in the matter of such default, is liable to a fine not exceeding one hundred dollars for every day during which the default continues.

SCHEDULES

Sections 15,75.

FIRST SCHEDULE

REVENUE ACCOUNT of the _____, for the Year Ending _____ 19

19 (Date)	\$. c.	19 (Date)	\$. c.
Amount of funds at the beginning of the year ..		Claims under policies and additions there- to, after deduction of sums reassured	
Premiums received on new policies, assuring \$		Surrenders ..	
during the year, after deduction of reinsurance premiums ..		Annuities ..	
Renewal premiums received during the year on policies, assuring \$		Dividends to policyholders	
after deduction of reinsurance premiums ..		Other payments to policyholders (Items to be given) ..	
Consideration received for annuities granted during the year ..		Commission on first premiums	
All other premiums received during the year, after deduction of reinsurance premiums ..		Commission on renewal premiums	
Interest and dividends ..		Agents' travelling expenses and salaries ..	
Other receipts (Accounts to be specified)		Medical fees and salaries ..	
		Salaries of other officers and employees ..	
		Advertising ..	
		Other expenses of management (Accounts to be specified) ..	
		Dividends and bonuses to shareholders (if any)	
		Other payments (Accounts to be specified)	
		Amount of funds at the end of the year, as per Third Schedule	
	\$		\$

Note 1 - Companies having separate accounts for annuities to return the 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 deduction of the amounts paid and received in respect of reassurances.

SECOND SCHEDULE

Sections 15,75.

BALANCE SHEET of the , on the 19

LIABILITIES	\$. c.	ASSETS	\$. c.
Shareholders' capital paid up (if any)		Mortgages on property within the United Kingdom ..	
Assurance Fund ..		Mortgages on property out of the United Kingdom ..	
Annuity Fund (if any)		Loans on the company's policies ..	
Other funds (if any) (To be specified)		Investments - ..	
	\$. c.	In Cook Islands Government securities ..	
Total funds, as per First Schedule		In New Zealand Government securities ..	
Claims admitted but not paid*		In British Government securities ..	
Claims in process of adjustment, or adjusted and not due		In Indian and Colonial Government securities ..	
Claims resisted by the company		In foreign Government securities ..	
Annuities due and unpaid		In railway and other debentures and debenture stocks ..	
Other sums owing by the company* (Accounts to be specified)		In railway shares (preference and ordinary)	
		In house property ..	
		In other investments (To be specified) ..	
		Loans upon personal security Agents' balances ..	
		Outstanding premiums on policies in force on above date ..	
		Outstanding interest	
		Cash -	
		On deposit .. \$	
		In hand and on current account	
		Other assets (To be specified) ..	
	\$		\$

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

THIRD SCHEDULE

Sections 16,75.

REVENUE ACCOUNTS of the , for the Year Ending 19

(No. 1) LIFE ASSURANCE ACCOUNT

(Date)	Amount of Life Assurance Fund at the beginning of the year ..	\$. c.	(Date)	Claims under life policies, and additions thereto, after deduction of sums reassured ..	\$. c.
	Premiums received on new policies, assuring \$, during the year after deduction of reinsurance premiums ..			Surrenders ..	
	Renewal premiums received during the year on policies, assuring \$, after deduction of reinsurance premiums ..			Annuities ..	
	Consideration received for annuities granted during the year ..			Dividends to policyholders ..	
	All other premiums received during the year, after deduction of reinsurance premiums ..			Other payments to policyholders (Items to be given)	
	Interest and dividends ..			Commission on first premiums ..	
	Other receipts (Accounts to be specified)			Commission on renewal premiums ..	
				Agents' travelling expenses and salaries ..	
				Medical fees and salaries ..	
				Salaries of other officers and employees ..	
				Advertising ..	
				Other expenses of management (Accounts to be specified)	
				Dividends and bonuses to shareholders (if any) ..	
				Other payments (Accounts to be specified) ..	
				Amount of Life Assurance Fund at the end of the year, as per Fourth Schedule ..	
		\$			\$

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

THIRD SCHEDULE - continued(No. 2) FIRE ACCOUNT

(Date)	Amount of Fire Assurance Fund at the beginning of the year	\$. c.	(Date)	Losses by fire, after deduction of reassurances	\$. c.
	Premiums received, after deduction of re-assurances			Expenses of management	
	Other receipts (To be specified)			Commission	
				Other payments (To be specified)	
				Amount of Fire Assurance 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)	Balance of last year's account	\$. c.	(Date)	Dividends and bonuses to shareholders	\$. c.
	Interest and dividends not carried to other accounts			Expenses not charged to other accounts	
	Profit 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

Sections 16,75.

BALANCE SHEET of the _____, on the _____ 19____

<u>LIABILITIES</u>	\$. c.	<u>ASSETS</u>	\$. c.
Shareholders' capital		Mortgages on property within the United Kingdom	
General Reserve Fund (if any)		Mortgages on property out of the United Kingdom	
Life Assurance Fund*		Loans on the company's policies	
Annuity Fund (if any)*		Investments -	
Fire Fund		In Cook Islands Government securities	
Marine Fund ..		In New Zealand Government securities	
Profit and loss (if any) ..		In British Government securities	
Other funds (if any) (To be specified) ..		In Indian and Colonial Government securities	
	\$. c.	In foreign Government securities	
Claims under life policies admitted but not yet paid		In railway and other debentures and debenture stocks	
Claims in process of adjustment, or adjusted and not due ..		In railway shares (preference and ordinary) ..	
Claims resisted by the company ..		In house property ..	
Annuities due and unpaid ..		In other investments (To be specified) ..	
Outstanding fire losses ..		Loans upon personal security	
Outstanding marine losses		Agents' balances	
Other sums owing by the company (Accounts to be specified) ..		Outstanding premiums on policies in force on the above date ..	
		Outstanding interest	
		Cash -	\$
		On deposit	
		In hand and on current account	
		Other assets (To be specified)	
	\$		\$

* If the Life Assurance Fund is, in accordance with section 14 of this Act, a separate trust fund for the sole security of the life policy holders, 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.)

Section 17

FIFTH SCHEDULESTATEMENT 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 is made.
2. The principles upon which the valuation and distribution of profits among the policyholders are made, and whether these principles were determined by the instrument constituting the company, or by its regulations or bylaws, or otherwise.
3. The table or tables of mortality used in the valuation.
4. The rate or rates of interest assumed in the calculations.
5. 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.)
6. 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 should be made in the form annexed.)
7. 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 should be made in the forms annexed.)
8. The time during which a policy must be in force in order to entitle it to share in the profits.
9. The results of the valuation, showing -
 - (1) The total amount of profit made by the company.
 - (2) The amount of profit divided among the policyholders, and the number and amount of the policies which participated.
 - (3) Specimens of bonuses allotted to policies for \$200 effected at the respective ages of twenty, thirty, forty, and fifty, and having been respectively in force for five years, ten years, and upwards, at intervals of five years respectively, together with the amounts apportioned under the various modes in which the bonus might be received.

FIFTH SCHEDULE - continued

(Form referred to under heading No. 6 in the Fifth Schedule)

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

Amounts of funds	\$. c.	Claims under policies, and additions thereto, after deduction of sums reassured	\$. c.
on 19 ,		Surrenders	
the beginning of		Annuities	
Premiums received		Dividends to policyholders	
on new policies,		Other payments to policyholders (Items to be given)	
assuring \$,		Commission on first premiums	
after deduction		Commission on renewal premiums	
of reinsurance		Agents' travelling expenses and salaries	
premiums ..		Medical fees and salaries	
Renewal premiums		Salaries of other officers and employees	
received on		Advertising	
policies, assuring \$, after		Other expenses of management (Accounts to be specified)	
deduction of re-		Dividends and bonuses to shareholders (if any) ..	
assurance pre-		Other payments (Accounts to be specified)	
miums ..		Amount of funds on 19 ,	
Consideration re-		the end of the period, as per	
ceived for annu-		First (or Third) Schedule	
ities granted ..			
All other premiums			
received, after			
deduction of re-			
assurance premiums			
Interest and			
dividends ..			
Other receipts			
(Accounts to be			
specified)			
	\$		\$

FIFTH SCHEDULE - continued

(Form referred to under heading No. 7 in Fifth Schedule)

Summary and Valuation of the Policies of the , as at 19

Description of Transactions	Particulars of the Policies for Valuation				Valuation			
	Number of Policies	Sums Assured and Bonuses	Office Yearly Premiums	Net Yearly Premiums, if Ascertained	Value by the Interest,			Table. per cent
					Sums Assured, and Bonuses	Office Yearly Premiums	Net Yearly Premiums, if Computed	
ASSURANCES								
I. With Participation in Profits For whole term of life Other classes (To be specified) Extra premiums payable								
Total assurances with profits ..								
II. Without Participation in Profits For whole term of life Other classes (To be specified) Extra premiums payable								
Total assurances without profits								
Total assurances Deduct reassurances								
Net amount of assurances .. Adjustments (if any) ..								
ANNUITIES								
Immediate .. Other classes (to be specified) ..								
Total of the results								

The term "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.

FIFTH SCHEDULE - continued

(Form referred to under heading No. 7 in Fifth Schedule)

Valuation Balance Sheet of , as at 19

Dr	\$	Cr	\$
To net liability under assurance and annuity transactions (as per summary statement provided in Sixth Schedule		By Life Assurance and Annuity Funds (as per balance sheet under Second or Third Schedule)	
To surplus (if any) ..		By deficiency (if any)	
	\$		\$

SIXTH SCHEDULE

Sections 18,61

STATEMENT OF THE LIFE ASSURANCE AND ANNUITY
BUSINESS OF THE , ON THE 19

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of reassurances, corresponding to the statements in respect of assurances under headings 2, 3, 4, 5, and 6, are to be given).

1. The published table or tables of premiums for assurances for the whole term of life which are in use at the date above mentioned.

2. The total amount assured on lives for the whole term of life which are 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 assured under classes of assurance business other than for the whole term of life, distinguishing the sums assured under each class, and stating separately the amount assured with and without profits, and the total amount of reversionary bonuses.

5. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under heading No. 4, distinguishing ordinary from extra premiums.

6. The total amount of premiums which has been received from the commencement upon all policies under each special class mentioned under heading No. 4, which are in force at the date above mentioned.

7. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life.

8. The amount of all annuities other than those specified under heading No. 7, distinguishing the amount of annuities payable under each class, the amount of premiums annually receivable, and the amount of consideration money receivable in respect of each such class, and the total amount of premiums received from the commencement upon all deferred annuities.

9. 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.

10. 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.

Separate statements to be furnished for business at other than European rates, together with a statement as to the manner in which policies on unhealthy lives are dealt with.

Section 38(1)

SEVENTH SCHEDULE

ORDINARY TRANSFER*

Date of Transfer	Signature of Transferor	Witness	Transferee			Signature of Transferee	Witness	Date of Registration of Transfer	Signature of Secretary
			Name in Full	Address	Occupation				

* By this form of transfer an absolute assignment of the policy is effected.

Section 38(2)

EIGHTH SCHEDULE

MEMORANDUM OF REGISTRATION OF ASSIGNMENT

ASSIGNMENT of within policy to _____, of _____ registered this _____ day of _____ 19 _____ at _____ o'clock in the _____ noon. _____, Secretary.

Section 38(5)

NINTH SCHEDULE

ASSIGNMENT BY WAY OF A SURRENDER TO THE COMPANY LIABLE UNDER THE POLICY

I, A.B., being the holder of policy numbered _____ in the books of the (Here set out name of company), insuring \$ _____ on the life of _____, in consideration of the sum of \$ _____ paid to me by the said _____, the receipt of which sum I do hereby acknowledge, do hereby surrender and yield up the said policy to the said _____, and do hereby for ever discharge, acquit, and release the said _____, its successors and assigns, of and from the said policy, and all moneys payable thereunder, and all actions, suits, claims, and demands on account thereof or in relation thereto.

In witness whereof I have hereunto subscribed my name this _____ day of _____ 19 _____.

A.B.,
Assignor.

Signed by the above-named A.B.
in the presence of -

G.H.,
(Occupation and address.)

TENTH SCHEDULE

Section 39(1)

MORTGAGE

A.B., being the holder of policy numbered _____ in the books of the (Here set out name of company), (subject, however, to (Here state prior mortgages, if any)), insuring \$ _____ on the life of _____, in consideration of the sum of \$ _____ this day lent and advanced to him by E.F., of _____ (Or, if consideration not an advance of money, here state the consideration for which mortgage given), doth hereby, for himself, his executors, administrators, and assigns, all hereinafter, and also in the covenants, powers, and agreements implied herein by the Life Insurance Act 1970, referred to as and included in the term "mortgagor", covenant with the said E.F., his executors, administrators, and assigns, all hereinafter, and also in the said implied covenants, powers, and agreements, referred to as "the mortgagee", that he will repay the said principal sum of \$ _____ on the _____ day of _____ 19 _____, together with interest thereon or on so much thereof as for the time being remains unpaid, in the meantime and until repaid, at the rate of \$ _____ per cent per annum, payable by payments on the _____ day of _____ the _____ months of _____ in each year (or, if mortgage not given to secure a loan, strike out previous covenants, and here set out covenant to perform the obligation for the securing of which mortgage is given). (Here set out special covenants, if any); and, for the better securing to the mortgagee the performance of the covenants herein set forth, the mortgagor hereby mortgages to the mortgagee all his right, title, and interest in the said policy above described.

In witness whereof the mortgagor has hereunto subscribed his name this _____ day of _____ 19 _____.

A.B.,
Mortgagor.

Signed by the above-named A.B., as
mortgagor, in the presence of -

G.H.
(Occupation and address).

ELEVENTH SCHEDULE

Section 39(2)

MEMORANDUM OF REGISTRATION OF MORTGAGE ON POLICY

MORTGAGE of the within policy to _____, of _____, registered this _____ day of _____ 19 _____ at _____ o'clock in the _____ noon. _____, Secretary.

TWELFTH SCHEDULE

Section 39(2)

MEMORANDUM OF REGISTRATION OF MORTGAGE ON MORTGAGE

This mortgage registered this _____ day of _____ 19 _____ at _____ o'clock in the _____ noon. _____, Secretary.

Section 40(1)

THIRTEENTH SCHEDULECOVENANTS, POWERS, CONDITIONS, AND AGREEMENTS TO BE IMPLIED IN MORTGAGES NOT BEING MORTGAGES TO THE COMPANY LIABLE UNDER THE POLICY MORTGAGED

ON the part of the mortgagor, -

- (a) That during the continuance of this mortgage the mortgagor will duly and punctually, at the proper times for so doing, make all payments and do all such acts, deeds, matters, and things as are necessary to keep the policy hereby mortgaged in full force, and after making any such payment will produce to the mortgagee the receipt for the same, and will not do, or permit or suffer to be done, any act, deed, matter, or thing whereby or by means whereof the policy hereby mortgaged may lapse or become void, or become liable to lapse or become void in any manner whatsoever;
- (b) That if from any cause whatever the mortgagor fails or neglects to make all or any part of the payments necessary to keep the said policy in force, it shall be lawful for but not imperative on the mortgagee to make such payments on behalf of the mortgagor, and the same, with interest thereon at eight dollars per cent per annum from the date of payment by the mortgagee until repayment to him shall be repayable by the mortgagor to the mortgagee immediately upon demand, and, until repayment, shall be a charge upon the hereby mortgaged policy, and the same shall not be redeemable until such moneys are repaid;
- (c) That, subject as is hereinafter mentioned, the mortgagee shall be entitled to the custody of the policy hereby mortgaged during the continuance of this mortgage;
- (d) That if the amount assured by the policy hereby mortgaged becomes a claim or becomes payable prior to the day mentioned in this mortgage for the payment of the principal moneys intended to be hereby secured, then and in such case the said principal moneys and interest thereon up to date shall be deemed to be due and payable to the mortgagee on the day on which the said amount became payable, in lieu of the day so mentioned in this mortgage for payment; and the mortgagee's receipt and discharge for the payment of the said amount shall be deemed to be, to the extent thereof, a receipt and discharge of the moneys assured by the policy hereby mortgaged.

And, on the part of the mortgagee, -

- (e) That upon repayment of all the principal money and interest secured by this mortgage at the time herein specified for payment of the same, and upon performance and observance of such other obligations or agreements as are by this mortgage provided, he, the mortgagee, will execute a discharge of such mortgage in accordance with the provisions of the Life Insurance Act 1970, and will thereupon deliver this mortgage, with such discharge endorsed thereon, and the policy hereby mortgaged to the mortgagor:

THIRTEENTH SCHEDULE - continued

- (f) That if at any time, or from time to time, during the continuance of this mortgage, the mortgagor desires to assign the policy hereby mortgaged, or to mortgage the same subject to such mortgage, he, the mortgagee, will, on reasonable notice being given to him of the mortgagor's said desire, produce the said policy, as often and for so long as may be reasonably required, at the office of the company, and permit the said assignment or mortgage to be registered on the same.

And it is declared and agreed, by and between the mortgagor and mortgagee, -

That if the mortgagor makes default in payment of the principal or interest moneys secured by this mortgage, or any part thereof, on the days or times in this mortgage fixed for the payment of the same, or otherwise makes default in the observance or performance of the conditions or agreement to secure the observance or performance of which this mortgage is made, or if the mortgagor makes default in the observance or performance of any one or more of the covenants contained or implied in this mortgage, then in any of such cases it shall be lawful for the mortgagee forthwith, or at any time thereafter, to sell the hereby mortgaged policy, or such interest therein as is mortgaged by this mortgage, in such mode and on such terms and conditions in all respects as he, in his own absolute discretion, thinks fit, with full power to buy in the same at any sale, and again offer the same for sale as often as occasion may require, or to surrender the same to the company issuing it on receiving the surrender value for the same, and to apply the proceeds of such sale, or the amount of such surrender value, first in payment of all costs, charges, and expenses to which the mortgagee has been put in connection with such sale or surrender or otherwise in connection with this mortgage, and next in payment of all the principal, interest, or other moneys secured by the mortgage; and the surplus (if any) shall be paid to the mortgagor.

FOURTEENTH SCHEDULE

Section 40(2)

COVENANTS, POWERS, CONDITIONS, AND AGREEMENTS TO BE IMPLIED IN MORTGAGES TO THE COMPANY LIABLE UNDER THE POLICY MORTGAGED

ON the part of the mortgagor, -

- (a) That interest at the rate mentioned in this mortgage, on the principal amount received under this mortgage, shall be payable by the mortgagor to the mortgagee by equal half-yearly payments on the days mentioned in this mortgage for the purpose:
- (b) That if the moneys insured by the policy hereby mortgaged become payable during the continuance of this mortgage, the mortgagee may deduct all principal moneys hereby secured, and all interest then due thereon, including interest accrued to the

FOURTEENTH SCHEDULE - continued

- date of the death of the assured or the maturity of the policy, as the case may be, and all other charges on the policy, from the amount assured by the policy when paying over the same; and thereafter no further interest shall be payable to the mortgagee on the said principal moneys:
- (c) That if at any time during the continuance of this mortgage the total amount of principal and interest due, including interest accrued but not due, under this mortgage, together with overdue premiums on the policy hereby mortgaged (if any), interest on overdue premiums, and all other charges on the policy, exceeds the then surrender value of such policy, or if the said policy is allowed to lapse, then and in any such case the policy hereby mortgaged shall thereupon become absolutely void.

And, on the part of the mortgagee, -

- (d) That if all the principal and interest moneys hereby secured are duly paid off and satisfied according to the terms and provisions of this mortgage, then and in such case, if the policy hereby mortgaged is then in full force, and has not lapsed or become void, or become liable to lapse or to be declared void, the mortgagee shall duly execute and procure to be registered, in accordance with the provisions of the Life Insurance Act 1970, a discharge of this mortgage, and then shall return the said policy to the mortgagor:
- (e) That if and so soon as the policy hereby mortgaged has become void as above provided, such avoidance shall be held to be in full satisfaction and discharge of the principal and interest moneys due on this mortgage, and shall be deemed to acquit, release, and discharge the mortgagor of and from the same, and from all actions, suits, claims, and demands on account thereof or in relation thereto.

Section 45(1)

FIFTEENTH SCHEDULEMEMORANDUM OF DISCHARGE OF MORTGAGE

THIS mortgage is hereby discharged (If discharge be only partial, add words showing how far discharge is intended to operate) this day of 19 .

A.B.,
Mortgagee.

Signed by the above-named A.B., as
mortgagee, in the presence of -

C.D.,
(Occupation and address.)

PROGRESS OF THE BUSINESS OF THE (Name of Company)
 SINCE ITS ESTABLISHMENT TO

	Number of Policies	Sums Assured	Annuity Per Annum	Annual Premiums
Total issued		\$ c.	\$ c.	\$ c.
Total discontinued				
Total existing				
Annual income from interest				
Total annual income				

—————

This Act is administered in the Treasury.