

ACT No. XX OF 1928.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 25th
September, 1928.)

An Act further to amend the Indian Life Assurance Companies Act, 1912, for certain purposes, and to provide for the collection of statistical information in respect of insurance business other than life assurance business.

WHEREAS it is expedient further to amend the Indian Life Assurance Companies Act, 1912, for certain purposes hereinafter appearing, and to provide for the collection of statistical information in respect of insurance business other than life assurance business; It is hereby enacted as follows:—

PART I.

Preliminary.

1. (1) This Act may be called the Indian Insurance Companies Act, 1928.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

Short title,
extent and
commence-
ment.

PART II.

Amendments to the Indian Life Assurance Companies Act, 1912.

2. (1) Section 7 of the Indian Life Assurance Companies Act, 1912 (hereinafter in this Part referred to as the said Act), shall be re-numbered as sub-section (1) of that section, and to that

Amendment of
section 7,
Act VI of
1912.

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Price 1 anna or 1½d.]

(Part II.—Amendments to the Indian Life Assurance Companies Act, 1912.)

that sub-section, as so re-numbered, after clause (d), the following clauses shall be added, namely:—

“(e) a statement showing—

(A) as regards new policies of life assurance in respect of which a premium has been paid in the year of account,—

(i) the number of policies,

(ii) the sums assured,

(iii) the amount received by way of single premiums (including all premiums paid at the outset where no subsequent premium is payable), and

(iv) the amount of yearly renewal premium income;

(B) as regards total life assurance business,—

(i) the number of policies in force at the end of the year of account,

(ii) the sum assured (including reversionary bonus additions thereto) under policies in force at the end of the year of account, and

(iii) the premium income for which credit is taken in the revenue account;

(C) as regards claims, the amount of the claims paid in the year of account under policies effected in India—

(a) to claimants in India, and

(b) to claimants outside India;

(f) a statement showing, in such forms as the Governor General in Council may prescribe, a classified summary of the investments of the company in India in government securities and in Indian concerns and the other Indian assets held by the company.”

(2) To the same section as re-numbered the following sub-section shall be added, namely:—

“(2) For the purposes of clause (e) of sub-section (1), all items required to be stated shall be net amounts after deduction

(Part II.—Amendments to the Indian Life Assurance Companies Act, 1912.)

tion of the re-insurances of the company's risks, and for the purposes of sub-clauses (A) and (B) of that clause—

- (a) the statement shall show separately the numbers and amounts in respect of policies effected in, and policies effected outside, India;
- (b) where a sum assured is payable periodically, whether by way of an annuity or otherwise, it shall be stated separately from lump sum payments; and
- (c) policies of assurance upon the lives of a group of persons whereby sums assured are payable in respect of several persons included in the group shall be excluded from the statement and be shown in a separate statement containing the like particulars."

3. After section 26 of the said Act the following section shall be inserted, namely:—

"26A. In the winding up of a life assurance company in a case where any proportion of the profits of the company was before the commencement of the winding up allocated to policyholders, if, when the assets and liabilities of the company have been ascertained, there is found to be a surplus of assets over liabilities (hereinafter referred to as a *primâ facie* surplus), there shall be added to the liabilities of the company in respect of its life assurance business an amount equal to such proportion of the *primâ facie* surplus as is equivalent to such proportion of the profits allocated to shareholders and policyholders as was allocated to policyholders during the ten years immediately preceding the commencement of the winding up, and the assets of the company shall be deemed to exceed its liabilities only in so far as those assets exceed those liabilities after such addition as aforesaid:

Provided that, if in any case there has been no such allocation, or if it appears to the Court that by reason of special circumstances it would be inequitable that the amount to be added to the liabilities of the company in respect of the life assurance business should

Insertion of new section 26A in Act VI of 1912.

Application of surplus assets in liquidation.

(Part II.—Amendments to the Indian Life Assurance Companies Act, 1912. Part III.—Provisions as to Insurance Business other than Life Assurance Business.)

should be an amount equal to such proportion as aforesaid, the amount to be so added shall be such amount as the Court may direct."

Amendment of section 33, Act VI of 1912.

4. In section 33 of the said Act, for the words and figures "sections 7 to 12" the words, figures and letters "clause (a), (b), (c) or (d) of sub-section (1) of section 7, sections 8 to 12," shall be substituted.

Amendment of the First Schedule, Act VI of 1912.

5. Statement (D) in the First Schedule to the said Act shall be omitted.

PART III.

Provisions as to Insurance Business other than Life Assurance Business.

Definitions.

6. In this Part, unless there is anything repugnant in the subject or context,—

- (a) "certified", in relation to any copy or translation of a document required to be furnished by or on behalf of an insurance company, means certified by a responsible officer of the company to be a true copy or a correct translation, as the case may be;
- (b) "insurance company" means any person who transacts in British India the business of effecting contracts of insurance against any risk;
- (c) expressions used in this Act and defined in the Indian Life Assurance Companies Act, 1912, shall have the meanings assigned to them respectively in that Act.

Deposit of accounts, etc., with Governor General in Council.

7. Every insurance company which does not transact life assurance business in British India shall, within six months after the close of each financial year or within such further period as the Governor General in Council may in any case for special reasons allow, deposit with the Governor General in Council four copies of every report on the affairs of the company, and of every balance sheet, revenue account and profit and loss account, in respect of that year, which has been submitted to its shareholders or policyholders, and also,
in

(Part III.—Provisions as to Insurance Business other than Life Assurance Business.)

in the case of a company whose head office is situated outside British India, four copies of such of the aforementioned documents as are required by law to be submitted to the Government of the country in which the head office is situated.

8. The following statements shall be appended to every revenue account (other than a life assurance revenue account) deposited by an insurance company with the Governor General in Council in compliance with section 7 or with the provisions of the Indian Life Assurance Companies Act, 1912, as respects the year and the class of insurance business to which the revenue account relates, namely, statements showing—

Statements to be appended to revenue account.

- (1) in respect of premium income for which credit is taken in the revenue account, the amount of premiums derived from business effected in India,
- (2) in respect of claims, the amount of the claims paid in the year of account under policies effected in India—
 - (a) to claimants in India, and
 - (b) to claimants outside India.

9. There shall be appended to every balance sheet deposited by an insurance company with the Governor General in Council in compliance with section 7 a statement showing, in such form as the Governor General in Council may prescribe, a classified summary of the investments of the company in India in government securities and in Indian concerns and the other Indian assets held by the company.

Statement of Indian assets.

10. At least one copy of every document deposited by an insurance company with the Governor General in Council in accordance with the requirements of section 7, section 8 or section 9 shall be signed in the manner provided in section 11 of the Indian Life Assurance Companies Act, 1912.

Signing of documents.

11. If any portion of any document required to be deposited under section 7, section 8 or section 9 by an insurance company with the Governor General in Council is not written in the English language, a certified translation thereof shall be furnished along with each copy of the document.

Certified copies of vernacular documents.

12. Every insurance company which does not transact life assurance business in British India shall, within one month

Particulars to be filed.

from

(Part III.—Provisions as to Insurance Business other than Life Assurance Business.)

from the commencement of this Act or before it begins to carry on business, whichever is later, furnish to the Governor General in Council—

- (a) the full address of the principal office of the company in British India;
- (b) the names of the directors, principal officer and the auditor of the company in British India;
- (c) a statement of the classes of insurance business carried on or intended to be carried on by the company in British India;
- (d) a certified copy of the charter, statutes, deed of settlement or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;
- (e) in the case of any such company established outside British India, the names and addresses of some one or more persons resident in British India, authorised to accept on behalf of the company service of process and any notice required to be served on the company;

and, in the event of any alteration being made in the address of the principal office or in such classes of business or in any such instrument as aforesaid or in the name of any such person, the company shall forthwith furnish to the Governor General in Council particulars of the alteration.

Custody and inspection of documents.

13. Every document deposited with the Governor General in Council, in compliance with section 7, section 8 or section 9, or a certified copy of such document, shall be kept by the Registrar, and any such documents or copies shall be open to inspection, and any person may procure a copy of any such document or of any part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

Evidence of documents.

14. (1) Every document deposited with the Governor General in Council, in compliance with section 7, section 8 or section 9 which has been certified by the Registrar to be a document

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document so deposited, shall be deemed to be a document so deposited.

(2) Every such document purporting to be certified by the Registrar to be a copy of a document so deposited shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original document, unless some variation between it and the original document be proved.

15. The Governor General in Council shall, from time to time, cause to be published, in such manner as he may direct, a summary of the accounts, balance sheets and statements deposited with him in compliance with section 7, section 8 or section 9, and may append to such summary any note of the Governor General in Council thereon and any correspondence in relation thereto. Summary of accounts, etc., to be published.

16. Any insurance company which makes default in complying with any of the requirements of this Part, and every director, manager or secretary, or other officer or agent of, or partner in, the company who is knowingly a party to the default, shall be punishable in the manner provided in section 34 of the Indian Life Assurance Companies Act, 1912. Penalty for non-compliance with Act.

VI of 1912.

17. If any account, balance sheet, statement or other document required by the provisions of section 7, section 8 or section 9 is false in any particular to the knowledge of any person who signs it, such person shall be punishable in the manner provided in section 35 of the Indian Life Assurance Companies Act, 1912. Penalty for falsifying documents.

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18. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try, any offence under this Act. Cognizance of offences.

19. A person transacting the business of re-insuring contracts of insurance effected by any other person in the course of any class of business other than life assurance business shall not, by reason only of that fact, be deemed to be transacting insurance business of that class. Application of Part III to re-insurance business.

20. The Governor General in Council may, by notification in the Gazette of India and subject to such restrictions and conditions as he thinks fit, exempt from all or any of the provisions of this Act any provident insurance society registered under the Provident Insurance Societies Act, 1912. Exemption.

V of 1912.