

Bill No. 26 of 1965

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No. 148

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DEMERARA MUTUAL LIFE ASSURANCE SOCIETY (AMENDMENT) BILL, 1965.

Arrangement of Sections

Section

1. Short title.
2. Repeal and re-enactment of section 22 of Chapter 211
3. Saving the rights of Her Majesty.

A BILL

Intituled

AN ORDINANCE to amend the Demerara Mutual Life Assurance Society A.D. 1965
Ordinance.

1. This Ordinance may be cited as the Demerara Mutual Life Short title.
Assurance Society (Amendment) Ordinance, 1965, and shall be con-
strued and read as one with the Demerara Mutual Life Assurance Cap. 211.
Society Ordinance, hereinafter referred to as the Principal Ordinance,
and any Ordinance amending the same.

2. Section 22 of the Principal Ordinance is hereby repealed and Repeal and
re-enactment
of section 22
of Chapter
211.
the following section substituted therefor —

“Periodical
division
of profits.” 22.(1) At the expiration of every period of three years
after the last division of the profits of the Society or such
other period as may be prescribed by regulation, the profits
of the Society shall be ascertained by an actuary.

(2) The valuation of the actuary shall be based on
an interest earning rate not exceeding four per centum
per annum and after providing such reserve for future
charges and contingencies or profits for future divisions of
profits as the directors think proper, the net profits shall be
apportioned at an equal rate amongst the members of the
Society and allotted to their policies as and by way of
bonus in the manner from time to time prescribed by regu-
lation.

(3) The profits allotted to a policy by way of bonus
shall not vest until two annual premiums have been paid
or secured thereon.”

3. Nothing in this Ordinance shall prejudice or affect the rights Saving the
rights of Her
Majesty.
of Her Majesty the Queen, Her Heirs and Successors, or of any body
politic or corporate, or of any person or persons except the persons
mentioned in this Ordinance and those claiming by or through or under
them.

OBJECTS AND REASONS

This Bill seeks to amend the Demerara Mutual Life Assurance
Society Ordinance (Chapter 211) to enable the profits allotted to a
policy by way of bonus to vest after the payment of two annual
premiums after which a policy acquires a surrender value instead of
five annual premiums which would unduly postpone the rights of mem-
bers under a triennial valuation.

2. The directors of the Society in accordance with the provisions
of section 22 of the Ordinance determined by regulation that a trien-
nial instead of a quinquennial valuation should be adopted, and decided
that in consequence the vesting of bonuses should take place after the
payment of two annual premiums.

3. The change over to a triennial valuation was recommended
by the actuary of the Society and was approved at a general meeting
of members of the Society.

4. Clause 2 of the Bill therefore seeks to repeal and re-enact
section 22 of the Demerara Mutual Life Assurance Society Ordinance
to give effect to the proposal.

(Bill No. 26/1965)