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## INSURANCE BILL, 1983

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### EXPLANATORY MEMORANDUM

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This Bill proposes to amend the Insurance Acts 1909 to 1983 by providing for the appointment in certain circumstances by the court of an administrator to an insurer. The main task of an administrator will be to take over the management of the insurer concerned and to carry on its business as a going concern with a view to placing it on a sound commercial and financial footing. The Bill proposes to give the administrator access to the Insurance Compensation Fund, established by the Insurance Act, 1964, to enable the administrator to carry on the business of the insurer and to discharge the functions of his appointment. In order to further facilitate his task the Bill provides for the exercise by the administrator, subject to the sanction of the court, of such control as is necessary over the affairs of entities closely connected with the insurer.

The main provisions of the Bill are as follows:—

*Section 2* The Minister is enabled to present a petition to the court for the appointment of an administrator to an insurer, and the court may make an order so appointing. The appointment of a provisional administrator, the commencement of an administration and other relevant matters are also provided for.

*Section 3* Powers are provided for the administrator and the court and certain provisions are applied from the appointment of an administrator.

*Section 4* The court is empowered to make orders relating to bodies connected with an insurer under administration, including an order conferring powers on the administrator in relation to the affairs of such bodies. The circumstances in which a body is deemed to be connected with an insurer are also defined.

*Section 5* Hearings of proceedings under the Bill may be held otherwise than in public.

*Section 6* The Minister may make regulations for the purpose of ensuring the proper and orderly regulation and conduct of non-life insurance business.

*Sections 7, 8, 9 and 10* The Insurance Act, 1964 is amended in many respects, the most important of which is the provision to widen the scope of the Insurance Compensation Fund to allow the Administrator to have access to it to enable him to discharge his functions. The provisions of the 1964 Act regarding contributions to the Fund are also amended.



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