



Australian Capital Territory

Insurance Authority Act 2000 No 57

Republication No 3

Effective: 28 March 2003

Republication date: 28 March 2003

Last amendment made by A2003-12

Authorised by the ACT Parliamentary Counsel

About this republication

The republished law

This is a republication of the *Insurance Authority Act 2000* (including any amendment made under the *Legislation Act 2001*, part 11.3 (Editorial changes)) as in force on 28 March 2003. It also includes any amendment, repeal or expiry affecting the republished law to 28 March 2003.

The legislation history and amendment history of the republished law are set out in endnotes 3 and 4.

Kinds of republications

The Parliamentary Counsel's Office prepares 2 kinds of republications of ACT laws (see the ACT legislation register at www.legislation.act.gov.au):

- authorised republications to which the *Legislation Act 2001* applies
- unauthorised republications.

The status of this republication appears on the bottom of each page.

Editorial changes

The *Legislation Act 2001*, part 11.3 authorises the Parliamentary Counsel to make editorial amendments and other changes of a formal nature when preparing a law for republication. Editorial changes do not change the effect of the law, but have effect as if they had been made by an Act commencing on the republication date (see *Legislation Act 2001*, s 115 and s 117). The changes are made if the Parliamentary Counsel considers they are desirable to bring the law into line, or more closely into line, with current legislative drafting practice.

This republication does not include amendments made under part 11.3 (see endnote 1).

Uncommenced provisions and amendments

If a provision of the republished law has not commenced or is affected by an uncommenced amendment, the symbol **U** appears immediately before the provision heading. The text of the uncommenced provision or amendment appears only in the last endnote.

Modifications

If a provision of the republished law is affected by a current modification, the symbol **M** appears immediately before the provision heading. The text of the modifying provision appears in the endnotes. For the legal status of modifications, see *Legislation Act 2001*, section 95.

Penalties

The value of a penalty unit for an offence against this republished law at the republication date is—

- (a) if the person charged is an individual—\$100; or
- (b) if the person charged is a corporation—\$500.



Australian Capital Territory

Insurance Authority Act 2000

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Australian Capital Territory

Insurance Authority Act 2000

An Act to establish the Australian Capital Territory Insurance Authority (ACTIA), and for other purposes

Part 1 Preliminary

1 Name of Act

This Act is the *Insurance Authority Act 2000*.

3 Dictionary

The dictionary at the end of this Act is part of this Act.

Note 1 The dictionary at the end of this Act defines certain words and expressions used in this Act, and includes references (*signpost definitions*) to other words and expressions defined elsewhere in this Act.

For example, the signpost definition '*risk*, of the Territory—see section 5.' means that the expression '*risk*' is defined in that section and the definition applies to this Act.

Note 2 A definition in the dictionary applies to the entire Act unless the definition, or another provision of the Act, provides otherwise or the contrary intention otherwise appears (see *Legislation Act 2001*, s 155 and s 156 (1)).

4 Notes

A note included in this Act is explanatory and is not part of this Act.

Note See *Legislation Act 2001*, s 127 (1), (4) and (5) for the legal status of notes.

5 Meaning of *risk* of the Territory

For this Act, a *risk* of the Territory includes—

- (a) a direct risk of the Territory or a Territory entity; and
- (b) a risk accepted by the Territory or a Territory entity; and
- (c) a risk arising under a guarantee or indemnity given by the Territory or a Territory entity;

whether or not the risk relates to an officer, employee or agent of the Territory or a Territory entity or to property owned by or held on behalf of the Territory or a Territory entity.

6 Meaning of Territory entity

(1) For this Act, a Territory entity means—

- (a) a Territory authority; or
- (b) a public sector company.

Note **Territory authority** is defined in the *Legislation Act 2001*, dict, pt 1.

(2) For subsection (1):

public sector company means—

- (a) a Territory owned corporation; or
- (b) a subsidiary of a Territory owned corporation; or
- (c) a company prescribed under the regulations; or
- (d) any other company in which the Territory or another Territory entity has a controlling interest.

subsidiary, of a Territory owned corporation, means a subsidiary under the *Territory Owned Corporations Act 1990* of the Territory owned corporation.

Territory owned corporation means a Territory owned corporation under the *Territory Owned Corporations Act 1990*.

7 Controlling interests in companies

For this Act, the Territory or a Territory entity has a ***controlling interest*** in a company if its interest in the company is of a kind that—

- (a) it is able to—
 - (i) control the composition of the board of directors of the company; or
 - (ii) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the company; or
 - (iii) control more than 50% of the issued share capital of the company (excluding any part of the issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (b) if paragraph (a) does not apply—no-one else holds a greater interest in the company.

Part 2 The Insurance Authority

Division 2.1 Establishment and powers

8 Establishment

- (1) The Australian Capital Territory Insurance Authority (ACTIA) is established.
- (2) ACTIA—
 - (a) is a corporation; and
 - (b) may have a seal; and
 - (c) may sue and be sued in its corporate name.

9 Functions of ACTIA

The functions of ACTIA are—

- (a) to carry on the business of insurer of Territory risks; and
- (b) to take out insurance of Territory risks with other entities; and
- (c) to satisfy or settle claims in relation to Territory risks (including claims that may not necessarily be valid in law); and
- (d) with the Treasurer's approval, to take action for the realisation, enforcement, assignment or extinguishment of rights against third parties arising out of or in relation to its business, including, for example—
 - (i) taking possession of, dealing with or disposing of, property; or
 - (ii) carrying on a third-party's business as a going concern; and
- (e) to promote good risk management practices; and

- (f) to give advice to the Minister about insurance and the management of Territory risks; and
- (g) to exercise any other functions given to it under this Act or any other Territory law.

10 Powers

- (1) ACTIA has all the powers of an individual and may, for example—
 - (a) enter into contracts; and
 - (b) acquire, hold, deal with and dispose of property; and
 - (c) issue policies of insurance.
- (2) Without limiting subsection (1), ACTIA has the powers given to it under this Act or any other Territory law.
- (3) ACTIA represents the Territory.
- (4) Without limiting subsection (3), ACTIA has all the Territory's privileges and immunities.
- (5) ACTIA may exercise its powers inside and outside the ACT.
- (6) Without limiting subsection (5), ACTIA may exercise its powers outside Australia.

11 Ministerial directions to Territory entities about insurance of Territory risks

- (1) The Minister may give a direction to a Territory entity about what Territory risks must or may be insured with ACTIA.
- (2) A direction under this section is a disallowable instrument.

Note A disallowable instrument must be notified, and presented to the Legislative Assembly, under the *Legislation Act 2001*.
- (3) A Territory entity must comply with a direction given to it under this section.

- (4) For the *Trade Practices Act 1974* (Cwlth), this Act authorises—
- (a) the giving of a direction under this section; and
 - (b) the doing of, or the failure to do, anything by the Territory, a Territory entity or ACTIA to comply with a direction under this section.

- (5) In this section:

Territory entity includes an administrative unit, but does not include ACTIA.

12 Ministerial directions to ACTIA

- (1) The Minister may give written directions to ACTIA about the exercise of its functions.
- (2) Before giving a direction, the Minister must—
 - (a) tell ACTIA of the intent of the proposed direction; and
 - (b) give ACTIA a reasonable opportunity to comment on the proposed direction; and
 - (c) consider any comments made by ACTIA.
- (3) The Minister must present a copy of a direction given under this section to the Legislative Assembly within 6 sitting days after it is given.
- (4) ACTIA must comply with a direction given to it under this section.
- (5) For the *Trade Practices Act 1974* (Cwlth), this Act authorises—
 - (a) the giving of a direction under this section; and
 - (b) the doing of, or the failure to do, anything by ACTIA to comply with a direction under this section.

13 Reporting requirements

- (1) In addition to any other reports that ACTIA is required to make under this Act or any other law, ACTIA must give the Minister the reports the Minister from time to time requires.
- (2) A report under this section must be prepared in the form, and be based on the accounting or other policies or practices, (if any) that the Minister requires.

14 Provision of information

ACTIA must give the Minister any information about its operations that the Minister requires.

15 Indemnities for third parties

- (1) ACTIA may give an indemnity to a third party for a Territory risk arising under a contract to which the Territory or a Territory entity is a party only if the Minister has certified that the giving of the indemnity by ACTIA is in the Territory's interest.
- (2) In this section:
third party means an entity other than the Territory or a Territory entity.

Division 2.2 Board of management

16 Establishment of board

A board of management of ACTIA is established.

17 Functions of board

- (1) The board is responsible for the policies and management of ACTIA.
- (2) Without limiting subsection (1), the board's functions are—

- (a) to decide the strategies and policies to be followed by ACTIA;
and
- (b) to ensure that ACTIA exercises its functions in a proper,
effective and efficient way.

18 Constitution of board

The directors of ACTIA are—

- (a) 5 appointed directors; and
- (b) the general manager.

19 Appointment of appointed directors

- (1) The appointed directors are to be appointed by the Minister.

Note 1 A person may be reappointed to a position if the person is eligible to be appointed to the position (see *Legislation Act 2001*, s 208 (1) (c) and dict, pt 1 def of **appoint**).

Note 2 A power to appoint a person to a position includes power to appoint a person to act in the position (see *Legislation Act 2001*, s 209).

- (2) The Minister must appoint as appointed directors—
 - (a) the chief executive or the chief executive's nominee (the **government member**); and
 - (b) 2 people who, in the Minister's opinion, represent the interests of entities whose risks are insured by ACTIA (the **client members**); and
 - (c) 2 people who, in the Minister's opinion, have qualifications and experience relevant to risk management or insurance (the **specialist members**).

20 Term of appointment of appointed directors

- (1) An appointed director is to be appointed for a term of not longer than 3 years.
- (2) The instrument appointing, or evidencing the appointment of, an appointed director must state—
 - (a) the term for which the member is appointed; and
 - (b) that the appointed director is the government member, a client member or a specialist member.

21 Leave of absence of appointed directors

The Minister may give an appointed director leave of absence.

22 Terms of appointment of appointed directors generally

An appointed director holds the position on the terms, not provided by this Act or another Territory law, that are decided by the Minister.

23 Chairperson and deputy chairperson

- (1) The directors of the board must, whenever necessary, elect—
 - (a) an appointed director to be chairperson; and
 - (b) another appointed director to be deputy chairperson.
- (2) The board must tell the Minister of the election of an appointed director as chairperson or deputy chairperson.

24 Honesty, care and diligence of directors

In exercising the functions of director, a director must exercise the degree of honesty, care and diligence required to be exercised by a director of a company in relation to the affairs of the company.

25 Ending of appointment of appointed directors

- (1) The Minister must end the appointment of—
 - (a) a client member, if the Minister is satisfied that the member can no longer appropriately represent the interests of entities whose risks are insured by ACTIA; or
 - (b) any appointed director, if the director ceases to be eligible for appointment.
- (2) The Minister may end the appointment of an appointed director—
 - (a) for misbehaviour or physical or mental incapacity; or
 - (b) if the director—
 - (i) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with creditors or makes an assignment of remuneration for their benefit; or
 - (ii) is absent for 3 consecutive meetings without leave of absence and without reasonable excuse; or
 - (iii) contravenes section 24 or section 28 (Disclosure of interest by directors) without reasonable excuse; or
 - (c) if the board tells the Minister in writing that it has resolved, by a majority of at least $\frac{2}{3}$ of the directors, to recommend to the Minister that the appointment of the director be ended.
- (3) The board may only tell the Minister about a resolution mentioned in subsection (2) (c) if—
 - (a) at least 21 days written notice of the intention to consider the proposed resolution has been given to the director concerned; and
 - (b) the director has been given an opportunity to make submissions about the proposed resolution and present documents to a meeting of the board; and

- (c) if the director has made submissions or presented documents to a meeting of the board—a summary of the director's arguments is recorded in the minutes of the board and a copy of any documents presented is incorporated in the minutes.

Note An appointed director's appointment also ends if the appointed director resigns (see *Legislation Act 2001*, s 210).

Division 2.3 Proceedings of board

26 Time and place of meetings

- (1) Meetings of the board are to be held at the times and places it decides.
- (2) However, the board must meet at least once every 3 months.
- (3) The chairperson—
 - (a) may at any time call a meeting of the board; and
 - (b) must call a meeting if asked by the Minister or at least 2 directors.
- (4) The chairperson must give the other directors reasonable notice of the time and place of a meeting called by the chairperson.

27 Procedure governing conduct of meetings

- (1) The chairperson presides at all meetings at which the chairperson is present.
- (2) If the chairperson is absent, the deputy chairperson presides.
- (3) If the chairperson and the deputy chairperson are both absent, the director chosen by the directors present presides.
- (4) At a meeting of the board—
 - (a) 4 directors form a quorum; and
 - (b) each director has a vote on each question to be decided; and

- (c) a question is to be decided by a majority of the votes of the directors present and voting but, if the votes are equal, the director presiding has a casting vote.
- (5) The board may conduct its proceedings (including its meetings) as it considers appropriate.
- (6) The board may hold meetings, or allow directors to take part in meetings, by telephone, closed-circuit communication or another form of communication.
- (7) A director who takes part in a meeting conducted under subsection (6) is taken to be present at the meeting.
- (8) If—
 - (a) all directors agree, in writing, to a proposed resolution; and
 - (b) notice of the resolution is given under procedures decided by the board;the resolution is a valid resolution of the board, even though it was not passed at a meeting of the board.
- (9) The board must keep minutes of its meetings.

28 Disclosure of interest by directors

- (1) This section applies to a director if—
 - (a) the director has a direct or indirect financial interest in an issue being considered, or about to be considered, by the board; and
 - (b) the interest could conflict with the proper exercise of the director's functions in relation to the board's consideration of the issue.
- (2) As soon as practicable after the relevant facts come to the director's knowledge, the director must disclose the nature of the interest to a meeting of the board.

- (3) The disclosure must be recorded in the board's minutes and, unless the board otherwise decides, the director must not—
 - (a) be present when the board considers the issue; or
 - (b) take part in a decision of the board on the issue.
- (4) Any other director who also has a direct or indirect financial interest in the issue must not—
 - (a) be present when the board is considering its decision under subsection (3); or
 - (b) take part in making the decision.
- (5) The chairperson must, within 14 days after the end of each financial year, give the Minister a statement of any disclosure of interest made under subsection (2).
- (6) The Minister must give a copy of each statement under subsection (5) to the relevant committee of the Legislative Assembly within 14 days after receiving the statement.
- (7) In subsection (6):
relevant committee, of the Legislative Assembly, means—
 - (a) the standing committee of the Legislative Assembly nominated by the Speaker for subsection (6); or
 - (b) if there is no nomination under paragraph (a)—the standing committee of the Legislative Assembly responsible for the scrutiny of public accounts.

Part 3 General manager, staff and consultants

Division 3.1 General manager

29 Appointment

- (1) The board must appoint a general manager.

Note A power to appoint a person to a position includes power to appoint a person to act in the position (see *Legislation Act 2001*, s 209).

- (2) The terms of appointment of the general manager are as agreed to between the board and the general manager.
- (3) ACTIA may only enter into an agreement mentioned in subsection (2) after consultation between the Minister and the board.

30 Functions of general manager

- (1) The functions of the general manager are—
- (a) to manage ACTIA's affairs on a day-to-day basis on behalf of the board; and
 - (b) to exercise any other function given to the general manager by the board.
- (2) The general manager must act in accordance with any policies decided, and any directions given, by the board.

Division 3.2 Staff and consultants

31 Staff

The staff of ACTIA are to be employed under the *Public Sector Management Act 1994*.

32 Consultants

- (1) ACTIA may engage consultants.
- (2) Subsection (1) does not confer on ACTIA a power to enter into a contract of employment.

Part 4 Miscellaneous

33 Dividends

- (1) This section applies if ACTIA has available profits for a financial year.
- (2) After consultation with the board, the Minister may direct ACTIA to declare a dividend for the financial year of the amount directed by the Minister.
- (3) If the Minister gives a direction under subsection (2), ACTIA must declare a dividend of the directed amount, and pay the amount to the Territory, within 1 month after the Minister gives the direction.
- (4) In this section:

available profits, for a financial year, means—

- (a) the profits for the financial year; and
- (b) any profits for a previous financial year that have not previously been taken into account by the Minister in deciding whether a dividend should be declared.

profit includes the net proceeds of the sale of assets.

34 Exemption from insurance levy and stamp duty on policies

ACTIA is exempt from the payment of any insurance levy or stamp duty on an insurance policy issued by ACTIA.

35 Regulation-making power

The Executive may make regulations for this Act.

Note Regulations must be notified, and presented to the Legislative Assembly, under the *Legislation Act 2001*.

Dictionary

(see s 3)

ACTIA means the Australian Capital Territory Insurance Authority.

appointed director means an appointed director of the board.

board means the board of management of ACTIA.

chairperson means the chairperson of the board.

controlling interest, in a company—see section 7.

deputy chairperson means the deputy chairperson of the board.

director means—

- (a) an appointed director; and
- (b) the general manager.

general manager means the general manager of ACTIA.

insurance includes reinsurance and coinsurance.

risk, of the Territory—see section 5.

Territory entity—see section 6.

Endnotes

1 About the endnotes

Amending and modifying laws are annotated in the legislation history and the amendment history. Current modifications are not included in the republished law but are set out in the endnotes.

Not all editorial amendments made under the *Legislation Act 2001*, part 11.3 are annotated in the amendment history. Full details of any amendments can be obtained from the Parliamentary Counsel's Office.

Uncommenced amending laws and expiries are listed in the legislation history and the amendment history. These details are underlined. Uncommenced provisions and amendments are not included in the republished law but are set out in the last endnote.

If all the provisions of the law have been renumbered, a table of renumbered provisions gives details of previous and current numbering.

The endnotes also include a table of earlier republications.

If the republished law includes penalties, current information about penalty unit values appears on the republication inside front cover.

2 Abbreviation key

am = amended	ord = ordinance
amdt = amendment	orig = original
ch = chapter	p = page
cl = clause	par = paragraph
def = definition	pres = present
dict = dictionary	prev = previous
disallowed = disallowed by the Legislative Assembly	(prev...) = previously
div = division	prov = provision
exp = expires/expired	pt = part
Gaz = Gazette	r = rule/subrule
hdg = heading	reg = regulation/subregulation
IA = Interpretation Act 1967	renum = renumbered
ins = inserted/added	reloc = relocated
LA = Legislation Act 2001	R[X] = Republication No
LR = legislation register	RI = reissue
LRA = Legislation (Republication) Act 1996	s = section/subsection
mod = modified / modification	sch = schedule
No = number	sdiv = subdivision
num = numbered	sub = substituted
o = order	SL = Subordinate Law
om = omitted/repealed	<u>underlining</u> = whole or part not commenced or to be expired

Endnotes

3 Legislation history

3 Legislation history

Insurance Authority Act 2000 No 57

notified 5 October 2000 (Gaz 2000 No 40)

s 1, s 2 commenced 5 October 2000 (IA s 10B)

remainder commenced 1 April 2001 (s 2 and Gaz 2001 No 13)

as amended by

Legislation (Consequential Amendments) Act 2001 No 44 pt 194

notified 26 July 2001 (Gaz 2001 No 30)

s 1, s 2 commenced 26 July 2001 (IA s 10B)

pt 194 commenced 12 September 2001 (s 2 and Gaz 2001 No S65)

Taxation (Government Business Enterprises) Act 2003 A2003-12 sch 1 pt 1.5

notified LR 27 March 2003

s 1, s 2 taken to have commenced 1 July 2002 (LA s 75 (2))

sch 1 pt 1.5 commenced 28 March 2003 (s 2 (2))

4 Amendment history

Commencement

s 2 om 2001 No 44 amdt 1.2209

Ministerial directions to Territory entities about insurance of Territory risks

s 11 am 2001 No 44 amdt 1.2210

Exemption from insurance levy and stamp duty on policies

s 34 sub A2003-12 amdt 1.5

Regulation-making power

s 35 am 2001 No 44 amdt 1.2211

Vesting of assets and liabilities

pt 5 hdg exp 1 April 2002 (s 40)

Vesting of assets and liabilities in ACTIA

s 36 am 2001 No 44 amdt 1.2212

exp 1 April 2002 (s 40)

Evidentiary certificate for vested assets and liabilities

s 37 exp 1 April 2002 (s 40)

Registration of changes in title to certain assets

s 38 exp 1 April 2002 (s 40)

Proceedings and evidence in relation to vested assets and liabilities

s 39 exp 1 April 2002 (s 40)

Expiry of pt 5

s 40 exp 1 April 2002 (s 40)

5 Earlier replications

Some earlier replications were not numbered. The number in column 1 refers to the publication order.

Since 12 September 2001 every authorised republication has been published in electronic pdf format on the ACT legislation register. A selection of authorised replications have also been published in printed format. These replications are marked with an asterisk (*) in column 1. Except for the footer, electronic and printed versions of an authorised republication are identical.

Replication No	Amendments to	Replication date
1	Act 2001 No 44	30 November 2001
2	Act 2001 No 44	2 April 2002