

THE



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Separate paging is given to this Part, in order that it may be filed as a separate compilation.

## PART VI.

### BILLS OF THE GOVERNMENT OF INDIA.

#### LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor-General of India for the purpose of making Laws and Regulations on the 25th May 1887:—

#### Bill No. 5 of 1887.

*A Bill to amend the Indian Stamp Act, 1879.*

WHEREAS it is expedient to amend certain provisions of the Indian Stamp Act, 1879, relating to policies of insurance;

It is hereby enacted as follows:

1. For clause (15) of section 3 of that Act the Amendment of definition following shall be substituted, namely:

“(15) ‘Policy of insurance’ means any instrument by which one person, in consideration of a premium, engages to indemnify another against loss, damage or liability arising from an unknown or contingent event, and it includes any writing evidencing the renewal of any such instrument for the purpose of keeping the engagement in force:

“It includes a life-policy.”

2. For article 49 of the first schedule to that Act the following shall be substituted, namely:

New article substituted for article 49 of Schedule I.

Act the following shall be substituted, namely:

Description of Instrument.	Proper Stamp-duty.		
	If drawn singly.	If drawn in duplicate, for each part.	
49. POLICY OF INSURANCE. See Exemption, Schedule II [No. 14 (a)].	(a) In the case of sea-insurance—	Rs. a. p.	Rs. a. p.
	When the amount insured does not exceed ... .. 1,000	0 4 0	0 2 0
	And for every further sum of Rs. 1,000 or part thereof in excess of ... .. 1,000	0 4 0	0 2 0
	(b) In the case of fire-insurance—		
i. In respect of an original policy for a month or any shorter term—			
When the amount insured does not exceed ... .. 1,000	0 2 0	0 1 0	
And for every further sum of Rs. 1,000 or part thereof in excess of ... .. 1,000	0 2 0	0 1 0	



Description of Instrument.	Proper Stamp-duty.	
	If drawn singly.	If drawn in duplicate, for each part.
	Rs. a. p.	Rs. a. p.
ii. In respect of an original policy for more than one month but not more than three months— When the amount insured does Rs. not exceed ... .. 1,000 And for every further sum of Rs. 1,000 or part thereof in excess of ... .. 1,000	0 3 0	0 2 0
iii. In respect of an original policy for more than three months but not more than six months— When the amount insured does Rs. not exceed ... .. 1,000 And for every further sum of Rs. 1,000 or part thereof in excess of ... .. 1,000	0 4 0	0 3 0
iv. In respect of an original policy for a year or any longer term— When the amount insured does not exceed ... .. 1,000 And for every further sum of Rs. 1,000 or part thereof in excess of ... .. 1,000	0 6 0	0 3 0
v. In respect of renewing, for the purpose of keeping in force, a policy granted for any shorter term than one year ... ..	0 6 0	0 3 0
	The same duty as would be payable in respect of an original policy for the amount and term to which the renewal extends :	
	Provided that duty shall not be payable in respect of the renewal when the duty already paid in respect of the original policy, or in respect of the original policy and previous renewal thereof, is equal to or exceeds the duty which would be payable in respect of an original policy for the amount aforesaid for a year, and that, where the duty payable in respect of the renewal would, when added to the duty already paid in respect of the original policy, or in respect of the original policy and previous renewal thereof, exceed the duty payable in respect of an original policy for the amount aforesaid for a year, the duty payable in respect of the renewal shall not exceed the difference between the duty already paid and the duty payable in respect of an original policy for the amount aforesaid for a year.	
	If drawn singly.	If drawn in duplicate, for each part.
	Rs. a. p.	Rs. a. p.
(c) In the case of any other insurance— When the amount insured does Rs. not exceed ... .. 1,000 And for every further sum of Rs. 1,000 or part thereof in excess of ... .. 1,000	0 6 0	0 3 0
	0 6 0	0 3 0

49. POLICY OF INSURANCE—concluded.



## STATEMENT OF OBJECTS AND REASONS.

In the Resolution of the Department of Finance and Commerce, No. 1046, dated the 5th March 1886, published in the *Gazette of India* of 6th March 1886, opinion was invited on certain proposals of the Government of Bengal for the reduction of the stamp-duty payable on policies of fire-insurance for short terms.

Those proposals having been generally accepted as fair and equitable, this Bill has been prepared for the purpose of giving effect to them.

2. One Insurance Company, while recommending the reduction of stamp-duty on annual fire-policies, proposes to solve the difficulty of levying duty on renewals of fire-policies for short terms by prohibiting such renewals altogether, and asserts that this course would be productive of no inconvenience to the public, and of no appreciable inconvenience to Insurance Companies. The Government of India is not prepared to adopt this proposal unless it is assured by the almost unanimous opinion of those engaged in fire-insurance business that the prohibition of renewals would not lead to inconvenience. If such an assurance is forthcoming, it will be considered by the Select Committee to which this Bill is to be referred.

3. It is proposed so to amend the definition of "policy of insurance" as to make section 65 of the Indian Stamp Act, 1879, clearly applicable as well to contracts of renewal or continuance of insurance as to original policies.

4. Insurance Companies are invited to state, in their opinions on the Bill, the mode which will be most convenient to them of paying stamp-duty on renewals of policies of insurance.

*The 25th May 1887.*

A. COLVIN.

(Signed) S. HARVEY JAMES,  
Officiating Secretary to the Government of India.