

Conveyancers Licensing Amendment (Professional Indemnity Insurance) Bill 2000

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Conveyancers Licensing Act 1995* so as to enable the Minister, by order published in the Gazette, to approve policies of professional indemnity insurance for the purposes of that Act and to require conditions to be complied with in relation to those policies. At present, those policies must be approved by the Director-General of the Department of Fair Trading and comply with general requirements set out in that Act. The Bill also validates licences granted before the commencement of the proposed Act that were held during any period in which the relevant policy of professional indemnity insurance was not an approved policy for the purposes of the Act.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision giving effect to the amendments to the *Conveyancers Licensing Act 1995* set out in Schedule 1.

Schedule 1 Amendments

Section 7 (1) (e) of the *Conveyancers Licensing Act 1995* requires an applicant for a licence under the Act as a conveyancer to satisfy the Director-General of the Department of Fair Trading that the applicant will be covered by an approved policy of professional indemnity insurance during the term of the licence.

Schedule 1 [1] amends section 8 of the Act to provide that an ***approved policy of professional indemnity insurance*** for the purposes of the Act is a policy that is approved by the Minister by order published in the Gazette.

An order under the section may provide that a policy is an approved policy if it complies with any or all of the following:

- (a) it complies with the conditions set out in the order,
- (b) it is described in the order by reference to the insurer and the number of the policy, or identified by other specified particulars.

Provision is also made for certain ancillary matters in relation to an order (such as the date on which the order takes effect).

Schedule 1 [2] removes provisions that result in a licence automatically being of no effect during any period where an approved policy of insurance is not in force in respect of the licensee or the licensee has not paid a contribution or levy relating to the compensation fund under the *Property, Stock and Business Agents Act 1941*. In those circumstances, the Director-General of Fair Trading will be able to take action, if appropriate, to suspend or cancel the licence under section 13 of the Act. The amendment is intended to provide certainty as to

when a licence is of no effect. This is also relevant to claims against the compensation fund which may only be made in respect of acts or omissions by licensees.

Schedule 1 [3] and [4] enable regulations of a savings and transitional nature to be made consequent on the enactment of the proposed Act.

Schedule 1 [5] contains the validation described above in the Overview.

Schedule 1 [6] makes a consequential amendment.