

OBJECTS AND REASONS

This Bill would provide for the establishment of a fund to be known as the Catastrophe Fund to provide financial aid to any low income earner who owns and occupies a chattel house valued not more than \$125,000 where that house is damaged or destroyed by a catastrophe within the meaning of the Bill.

Arrangement of Sections

Section

1. Short title.
2. Interpretation.
3. Establishment of Fund.
4. Purpose of Fund.
5. Entitlement to claim.
6. Catastrophe Fund Claims Committee.
7. Management of Fund.
8. Accounts.
9. Reports of Committee and Fund Manager.
10. Reports to be laid.
11. Regulations.
12. Amendment of Schedule.
13. Commencement.

BARBADOS

A Bill entitled

An Act to provide for the establishment of a fund to be known as the Catastrophe Fund to provide financial aid to any low income earner who owns and occupies a chattel house valued not more than \$125,000 where that house is damaged or destroyed by a catastrophe.

ENACTED by the Parliament of Barbados as follows:

- 1. This Act may be cited as the *Catastrophe Fund Act, 2007*.** Short title.

Interpreta-
tion.

2. In this Act,

"catastrophe" means a catastrophe caused by

- (a) a fire;
- (b) an earthquake;
- (c) a storm;
- (d) a hurricane;
- (e) flooding;
- (f) a storm or sea surge;
- (g) lightning; or
- (h) any other catastrophe caused by the forces of nature;

"chattel house" includes a house referred to in section 5(2);

"Committee" means the Catastrophe Fund Claims Committee established under section 6;

Cap. 1. "financial year" has the same meaning assigned to it by section 39(8) of the *Interpretation Act*;

"Fund" means the Castastrophe Fund;

"member" means a member of the Committee.

Establish-
ment of
Fund.

3. (1) There is established a Fund to be known as the Catastrophe Fund.

- (2) The Fund shall consist of
- (a) annual contributions with effect from financial year 2006-2007 in the sum of \$2.5 million voted by Parliament for the purposes of the Fund for a period of not less than 5 years;
 - (b) monthly contributions payable with effect from financial year 2006-2007 by every employed person and self-employed person in the amount of 0.1% of the earnings on which that person pays national insurance;
 - (c) amounts realized from investment proceeds;
 - (d) moneys that may accrue from the operations of the Fund.

4. The purpose of the Fund is to provide financial aid to any low income earner who owns and occupies a chattel house where Purpose of Fund.

- (a) the value of the house does not exceed \$125,000; and
- (b) the house is damaged or destroyed by a catastrophe.

5. (1) Any owner of a chattel house valued not more than \$125, 000 who occupies that house and who earns less than \$22, 500 annually is, from financial year 2006-2007, entitled to a grant in such amount as is determined by the Committee in accordance with regulations made under this Act, where that house is damaged or destroyed by a catastrophe. Entitlement to claim.

(2) Where a house is constructed of both wood and brick, that house shall be regarded as a chattel house for the purposes of this Act, if the house is, in the opinion of the Committee, substantially constructed of wood.

(3) For the purposes of subsection (2), a house is substantially constructed of wood if at least 75% of the house is wooden.

Assessment
of Claims
Committee.

6. (1) There shall be a Catastrophe Fund Claims Committee which shall be responsible for the consideration and assessment of claims and the issue of grants.

Schedule.

(2) The *Schedule* has effect with respect to the constitution of the Catastrophe Fund Claims Committee and otherwise in relation thereto.

(3) Claims may be made to the Committee in such form as may be prescribed by regulations.

Manage-
ment of
Fund.

7. (1) The contributions referred to in section 3, shall be paid to the National Insurance Office.

(2) The National Insurance Board shall be responsible for the management and investment of the Fund.

(3) The following payments may be made from the Fund

- (a) the payment of grants pursuant to section 5;
- (b) refunds of any payment paid in excess or in error;
- (c) the expenses incurred in respect of the administration of this Act.

Cap. 47.

(4) All contributions that are payable pursuant to section 3(2)(b) are recoverable in the manner specified in section 43 of the *National Insurance Act* as if the contributions were national insurance contributions.

8. (1) The Director of National Insurance shall keep proper accounts of the Fund and proper records in relation thereto and prepare a monthly statement of the Fund's accounts.

Report of
Committee
and Fund
Manager.

(2) The statements referred to in subsection (1) shall be submitted to the Director of Finance by the Director of National Insurance not later than two weeks after the end of each month.

(3) The accounts of the Fund shall be audited at least once every financial year by the Auditor-General.

9. (1) The Director of National Insurance shall, in respect of each financial year, submit to the Minister, not later than 3 months after the end of every financial year,

Reports of
Committee
and Fund
Manager.

(a) a statement of the Fund's accounts; and

(b) a report of the investment portfolio and other economic activity of the Fund.

(2) The Committee shall in respect of each financial year, submit to the Minister not later than 3 months after the end of every financial year, a general report on the discharge of the Committee's functions during the financial year.

10. The Minister shall, within 4 weeks of receiving the reports and the statements submitted under section 9, lay them before Parliament.

Reports to
be laid.

11. The Minister may make regulations,

Regulations.

(a) providing for the management and investment of the fund;

(b) providing for the manner in which claims may be made; and

(c) generally for the proper administration of this Act.

Amendment
of Schedule.

12. The Minister may by order amend the *Schedule*.

SCHEDULE

(Section 6)

1. (1) The Catastrophe Fund Claims Committee shall consist of 6 persons, namely:

- (a) the Supervisor of Insurance, *ex officio*;
- (b) the Director of National Insurance, *ex officio*;
- (c) the Chief Fire Officer, *ex officio*;
- (d) the Accountant General, *ex officio*; and
- (e) two other persons who shall be appointed by the Minister by instrument in writing.

(2) The Minister shall appoint one of the members to be Chairman and another member to be Deputy Chairman.

2. (1) The Committee shall meet at such times as it considers necessary for the transaction of its business.

(2) The Chairman shall preside at meetings of the Committee and in the case of the absence of the Chairman, the Deputy Chairman shall preside.

(3) Three members constitute a quorum.

(4) Minutes of each meeting shall be kept in proper form by the Secretary or such other person as the Committee may appoint for the purpose; and shall be confirmed in writing at the next meeting.

3. (1) The decisions of the Committee shall be by a majority of votes and in the event of an equality of votes, the Chairman has a casting vote.

(2) All decisions made by the Committee and all documents of the Committee shall be signed by the Chairman or the Deputy Chairman.

4. (1) The seal of the Committee shall be kept in the custody of the Chairman or such other member as the Committee may approve and may be affixed to documents or instruments in the presence of the Chairman and the Secretary to the Committee.

(2) The seal of the Committee shall be authenticated by the signature of the Chairman or Deputy Chairman and the Secretary to the Committee.

5. (1) The Chairman may invite any person to attend a meeting of the Committee where the Committee considers it necessary to do so.

(2) A person referred to in sub-paragraph (1) may take part in the deliberations but may not vote on any matter.

6. Subject to the provisions of this Act, the Committee may regulate its own proceedings.