

## **THE SUGAR INSURANCE FUND (AMENDMENT) BILL**

(No. 1 of 2012)

### **Explanatory Memorandum**

The main object of this Bill is to amend the Sugar Insurance Fund Act in order to provide, inter alia, for –

- (a) a minimum percentage of crop reduction of sugar that would lead to an event year being declared for the purpose of payment of compensation to planters, *métayers* and millers;
- (b) a reduction in the insurance premium percentages applicable to planters, *métayers* and millers,

following recommendations made and advice given by the consulting actuary appointed by the Board.

2. Opportunity has been taken to provide for the registration of cane plantations of an area not exceeding 10 hectares every 5 years, instead of yearly.

**C. G. X. L. DUVAL, G.C.S.K.**

*Vice-Prime Minister, Minister of Finance  
and Economic Development*

24 April 2012

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### **ARRANGEMENT OF CLAUSES**

#### *Clause*

- 1. Short title
- 2. Interpretation
- 3. Section 2 of principal Act amended
- 4. Section 21 of principal Act amended
- 5. Section 25 of principal Act repealed and replaced
- 6. Section 26 of principal Act amended
- 7. Section 27 of principal Act amended
- 8. Section 28 of principal Act amended

9. Section 32 of principal Act amended
  10. Section 40 of principal Act amended
  11. Section 44 of principal Act amended
  12. Section 48 of principal Act amended
  13. New section 49 inserted in principal Act
  14. Section 55 of principal Act repealed and replaced
  15. Section 56 of principal Act amended
  16. Second Schedule to principal Act repealed and replaced
  17. Third Schedule to principal Act amended
  18. Fourth Schedule to principal Act amended
  19. Fifth Schedule to principal Act amended
- SCHEDULE

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## **A BILL**

### **To amend the Sugar Insurance Fund Act**

ENACTED by the Parliament of Mauritius, as follows –

**1. Short title**

This Act may be cited as the Sugar Insurance Fund (Amendment) Act 2012.

**2. Interpretation**

In this Act –

“principal Act” means the Sugar Insurance Fund Act.

**3. Section 2 of principal Act amended**

Section 2 of the principal Act is amended –

- (a) in the definition of “average sugar yield per hectare”, by inserting, after the word “harvested”, the word “and”;
- (b) by inserting, in the appropriate alphabetical order, the following new definitions –

“prescribed area” means such area as may be prescribed by the Minister, following the advice of a consulting actuary under section 48;

“prescribed percentage of the total insurable sugar” means such percentage of total insurable sugar as may be prescribed by the Minister for an area, following the advice of a consulting actuary under section 48;

“total insurable sugar for a prescribed area” means the total insurable sugar of all planters, *métayers* and millers within a prescribed area;

“total insurable sugar for the Island of Mauritius” means the total insurable sugar of all planters, *métayers* and millers within the Island of Mauritius;

“total sugar accrued for a prescribed area” means the total sugar accrued of all planters, *métayers* and millers within a prescribed area;

“total sugar accrued for the Island of Mauritius” means the total sugar accrued of all planters, *métayers* and millers within the Island of Mauritius.

#### **4. Section 21 of principal Act amended**

Section 21 of the principal Act is amended, in subsection (4)(b), by deleting the words “actual figure for his ranking” and replacing them by the words “ranking referred to in paragraph (a)”.

#### **5. Section 25 of principal Act repealed and replaced**

Section 25 of the principal Act is repealed and replaced by the following section –

##### **25. Declaration of event year**

(1) Where, in any crop year, the total sugar accrued for a prescribed area is not more than the prescribed percentage of the total insurable sugar for the prescribed area on account of the occurrence of all or any of the following events –

- (a) cyclone;
- (b) drought; or

- (c) excessive rainfall,

the Board may, not later than 28 February following that crop year, declare that crop year to be an event year on account of all or any of those events.

(2) Notwithstanding subsection (1), and subject to subsection (7), where, in any crop year, the total sugar accrued for the Island of Mauritius is more than the prescribed percentage of the total insurable sugar for the Island of Mauritius, but not more than such other percentage of the total insurable sugar for the Island of Mauritius as may be prescribed, on account of the occurrence of all or any of the following events –

- (a) cyclone;
- (b) drought; or
- (c) excessive rainfall,

the Board may, not later than 28 February following that crop year, subject to the advice of a consulting actuary and with the approval of the Minister, declare that crop year to be an event year on account of all or any of those events.

(3) Any declaration under subsection (1) or (2) shall be published in the *Gazette* and in at least 2 daily newspapers.

(4) Where no declaration under subsection (1) or (2) is made, an insured may, in writing and not later than 31 May in the following crop year, request the Board to make a declaration.

(5) Where a request for a declaration is made under subsection (4), the Board shall, not later than 15 July in the crop year following the crop year referred to in subsection (4), or such later date as the Board may by regulations appoint, make a declaration or refuse to make it.

(6) Where the Board refuses to make a declaration under subsection (1) or (2), following a request under subsection (4), it shall give written notification of its refusal to the insured.

(7) Subsection (2) shall cease to apply on such date, after the completion of the first actuarial review undertaken under section 48 after the commencement of this Act and the adoption of its recommendations, as may be prescribed by the Minister.

**6. Section 26 of principal Act amended**

Section 26 of the principal Act is amended by repealing subsections (7), (8) and (9).

**7. Section 27 of principal Act amended**

Section 27 of the principal Act is amended by deleting the words “or a miller”.

**8. Section 28 of principal Act amended**

Section 28 of the principal Act is amended by inserting, after subsection (5), the following new subsection –

(5A) Notwithstanding subsection (5), compensation payable in any crop year in respect of a cane plantation in relation to which there has been a change in ownership under section 41, may, in the absence of a notification under section 41(1), be withheld by the Board for such period as it may determine.

**9. Section 32 of principal Act amended**

Section 32 of the principal Act is amended, in subsection (2) –

- (a) in paragraph (a), by deleting the word “and” at the end of the paragraph;
- (b) by adding the following new paragraph, the full stop at the end of paragraph (b) being deleted and replaced by a semicolon –
  - (c) section 40(2C) has been complied with.

**10. Section 40 of principal Act amended**

Section 40 of the principal Act is amended –

- (a) in subsection (2), by deleting the words “subsection (3)” and replacing them by the words “subsections (2A) and (3)”;
- (b) by inserting, after subsection (2), the following new subsections –

(2A) Subject to subsection (2B), a planter or *métayer* whose cane plantation within a factory area is of an area of not more than 10 hectares shall not be required to register his cane plantation before the expiry of 5 years from the date of the first registration of the cane plantation after the commencement of this section or from the date of any further registration which may be required under subsection (2B).

(2B) Notwithstanding subsection (2A), the Board may, for the crop years 2013 to 2016, require such planter or *métayer* as it may determine to apply for registration in any crop year.

(2C) Where any change occurs in respect of the area of land which a planter or *métayer* has under cane cultivation or the area which he intends to harvest during a crop year, the planter or *métayer* shall inform the Board of the change.

#### **11. Section 44 of principal Act amended**

Section 44 of the principal Act is amended, in subsection (1), by inserting, after the word "Syndicate", the words ", a co-operative society or a middleman".

#### **12. Section 48 of principal Act amended**

Section 48 of the principal Act is amended –

- (a) in paragraph (a), by deleting the word "and" at the end of the paragraph;
- (b) by adding the following new paragraph, the full stop at the end of paragraph (b) being deleted and replaced by a semicolon –
  - (c) the prescribed area and the prescribed percentage of the total insurable sugar for the purpose of the declaration of an event year under section 25.
- (c) by adding the following new subsection, the existing provision being numbered subsection (1) –

(2) The recommendations under subsection (1) may include the defining of such prescribed area and such prescribed percentage of the total insurable sugar as the consulting actuary may deem appropriate.

**13. New section 49 inserted in principal Act**

The principal Act is amended by inserting, after section 48, the following new section –

**49. Recommendations made by Board**

The Board shall consider any recommendation made and advice given by the consulting actuary under section 48 and shall make such recommendations to the Minister as it considers appropriate.

**14. Section 55 of principal Act repealed and replaced**

Section 55 of the principal Act is repealed and replaced by the following section –

**55. Regulations made by Minister**

(1) The Minister may, by regulations –

- (a) amend the Schedules to give effect to any recommendation which the Board may make following the advice of the consulting actuary;
- (b) give effect to any recommendation made by the Board under section 49.

(2) Regulations made under subsection (1) shall be published in the *Gazette* and in 2 daily newspapers.

**15. Section 56 of principal Act amended**

Section 56 of the principal Act is amended, in the heading, by adding the words “made by Board”.

**16. Second Schedule to principal Act repealed and replaced**

The Second Schedule to the principal Act is repealed and replaced by the Second Schedule set out in the Schedule to this Act.

**17. Third Schedule to principal Act amended**

The Third Schedule to the principal Act is amended by deleting the following words –

**Miller**

Percentage loss allowed under section 27 = X

Sugar accruing to a miller in tonnes = C

Insurable sugar of a miller in tonnes =  $\frac{C \times 100}{100 - X}$

**18. Fourth Schedule to principal Act amended**

The Fourth Schedule to the principal Act is amended –

- (a) by deleting the words “factory area” wherever they appear and replacing them by the words “enlarged factory area”;
- (b) by adding, at the end of the Schedule, the following new paragraph –

In this Schedule, “enlarged factory area” means a factory area and includes such other area or region the canes from which are delivered to a factory in operation, following any previous or future closing down of another factory to which such area or region related prior to the closing down.

**19. Fifth Schedule to principal Act amended**

The Fifth Schedule to the principal Act is amended –

- (a) in paragraph (b), by deleting the figure “487.50” and replacing it by the figure “390.00”;
- (b) in paragraph (c), by deleting the figure “137.50” and replacing it by the figure “110.00”.

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## SCHEDULE

[Section 15]

### SECOND SCHEDULE

[Sections 2, 21, 24, 26 and 48]

<b>Ranking</b>	<b>Premium percentage of value (of insurable sugar)</b>	<b>First loss percentage</b>	<b>Value percentage (of shortfall)</b>
5.0	4.40	16.0	55.0
5.1	4.39	15.7	55.1
5.2	4.38	15.4	55.2
5.3	4.37	15.1	55.3
5.4	4.36	14.8	55.4
5.5	4.35	14.5	55.5
5.6	4.34	14.2	55.6
5.7	4.33	13.9	55.7
5.8	4.32	13.6	55.8
5.9	4.31	13.3	55.9
6.0	4.30	13.0	56.0
6.1	4.29	12.8	56.2
6.2	4.28	12.6	56.4
6.3	4.27	12.4	56.6
6.4	4.26	12.2	56.8
6.5	4.25	12.0	57.0
6.6	4.24	11.8	57.2
6.7	4.23	11.6	57.4
6.8	4.22	11.4	57.6
6.9	4.21	11.2	57.8
7.0	4.20	11.0	58.0

7.1	4.19	10.8	58.2
7.2	4.18	10.6	58.4
7.3	4.17	10.4	58.6
7.4	4.16	10.2	58.8
7.5	4.15	10.0	59.0
7.6	4.14	9.8	59.2
7.7	4.13	9.6	59.4
7.8	4.12	9.4	59.6
7.9	4.11	9.2	59.8
8.0	4.10	9.0	60.0
8.1	4.09	8.9	60.2
8.2	4.08	8.8	60.4
8.3	4.07	8.7	60.6
8.4	4.06	8.6	60.8
8.5	4.05	8.5	61.0
8.6	4.04	8.4	61.2
8.7	4.03	8.3	61.4
8.8	4.02	8.2	61.6
8.9	4.01	8.1	61.8
9.0	4.00	8.0	62.0
9.1	3.99	7.9	62.3
9.2	3.97	7.8	62.6
9.3	3.96	7.7	62.9
9.4	3.94	7.6	63.2
9.5	3.93	7.5	63.5
9.6	3.91	7.4	63.8
9.7	3.90	7.3	64.1
9.8	3.88	7.2	64.4

9.9	3.87	7.1	64.7
10.0	3.85	7.0	65.0
10.1	3.84	6.9	65.3
10.2	3.82	6.8	65.6
10.3	3.81	6.7	65.9
10.4	3.79	6.6	66.2
10.5	3.78	6.5	66.5
10.6	3.76	6.4	66.8
10.7	3.75	6.3	67.1
10.8	3.73	6.2	67.4
10.9	3.72	6.1	67.7
11.0	3.70	6.0	68.0
11.1	3.68	5.9	68.3
11.2	3.66	5.8	68.6
11.3	3.64	5.8	68.9
11.4	3.62	5.7	69.2
11.5	3.60	5.7	69.5
11.6	3.58	5.6	69.8
11.7	3.56	5.6	70.1
11.8	3.54	5.5	70.4
11.9	3.52	5.5	70.7
12.0	3.50	5.4	71.0
12.1	3.48	5.4	71.3
12.2	3.46	5.3	71.6
12.3	3.44	5.3	71.9
12.4	3.42	5.2	72.2
12.5	3.40	5.2	72.5
12.6	3.38	5.1	72.8

12.7	3.36	5.1	73.1
12.8	3.34	5.0	73.4
12.9	3.32	5.0	73.7
13.0	3.30	4.9	74.0
13.1	3.28	4.9	74.3
13.2	3.25	4.8	74.6
13.3	3.23	4.8	74.9
13.4	3.20	4.7	75.2
13.5	3.18	4.7	75.5
13.6	3.15	4.6	75.8
13.7	3.13	4.6	76.1
13.8	3.10	4.5	76.4
13.9	3.08	4.5	76.7
14.0	3.05	4.4	77.0
14.1	3.02	4.4	77.3
14.2	2.99	4.3	77.6
14.3	2.96	4.3	77.9
14.4	2.93	4.2	78.2
14.5	2.90	4.2	78.5
14.6	2.87	4.1	78.8
14.7	2.84	4.1	79.1
14.8	2.81	4.0	79.4
14.9	2.78	4.0	79.7
15.0	2.75	4.0	80.0