

Reprint  
as at 1 March 2017



## Law Reform Act 1936

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#### Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.  
Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This Act is administered by the Ministry of Justice and the Ministry of Business, Innovation, and Employment (Part 3).**

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**An Act to effect reforms in the law relating to—**

- (1) **the effect of death in relation to causes of action;**
- (2) **the payment of compensation under the Deaths by Accidents Compensation Act 1908;**
- (3) **charges on insurance moneys payable as indemnity for liability to pay damages or compensation;**
- (4) **the capacity, property, and liabilities of married women, and the liabilities of husbands;**
- (5) **proceedings against and contributions between tortfeasors;**
- (6) **the liability of employers to their servants for injuries caused by the negligence of fellow servants; and**
- (7) **covenants in leases not to assign or underlet without consent of lessor**

## **1 Short Title**

This Act may be cited as the Law Reform Act 1936.

## **2 Act divided into Parts**

This Act is divided into Parts as follows:

Part 1—Survival of causes of action after death.

Part 2—Deaths by accidents compensation.

Part 3—Charges on insurance moneys payable as indemnity for liability to pay damages or compensation.

Part 4—Capacity, property, and liabilities of married women, and liabilities of husbands.

Part 5—Liability of tortfeasors.

Part 6—Liability of employers to their servants for injuries caused by the negligence of fellow servants.

Part 7—Covenants in leases not to assign or underlet without consent of lessor.

## **Part 1**

### **Survival of causes of action after death**

## **3 Effect of death on certain causes of action**

- (1) Subject to the provisions of this Part, on the death of any person after the passing of this Act all causes of action subsisting against or vested in him shall survive against or, as the case may be, for the benefit of his estate:  
provided that this subsection shall not apply to causes of action for defamation or for inducing one spouse to leave or remain apart from the other.

- (2) Where a cause of action survives as aforesaid for the benefit of the estate of a deceased person, the damages recoverable for the benefit of the estate of that person—
- (a) shall not include any exemplary damages:
  - (b) *[Repealed]*
  - (c) where the death of that person has been caused by the act or omission which gives rise to the cause of action, shall be calculated without reference to any loss or gain to his estate consequent on his death, except that a sum in respect of funeral expenses may be included:
  - (d) shall not include any damages for the loss of earnings of the person relating to the period when, but for the death of the person, he or she would have been likely to receive earnings from his or her employment or other occupation.
- (3) No proceedings shall be maintainable in respect of a cause of action in tort which by virtue of this Part has survived against the estate of a deceased person, unless either—
- (a) proceedings against him in respect of that cause of action were pending at the date of his death; or
  - (b) the cause of action arose not earlier than 2 years before his death and proceedings are taken in respect thereof not later than 12 months after his personal representative took out representation:  
provided that no such proceedings shall be maintainable unless notice in writing giving reasonable information of the circumstances upon which the proceedings will be based and the name and address of the prospective plaintiff and of his solicitor or agent (if any) in the matter is given by the prospective plaintiff to the personal representative of the deceased person as soon as practicable after the personal representative took out representation.
- (3A) Notwithstanding anything in subsection (3), application may be made to the court, after notice to the personal representative, for leave to bring the proceedings at any time before the expiration of 6 years after the start date of the claim's primary period (as specified in section 11(1) of, and adjusted in accordance with all relevant exceptions and modifications (if any) set out in, the Limitation Act 2010), whether or not notice has been given to the personal representative under subsection (3); and the court may, if it thinks it is just to do so, grant leave accordingly, subject to such conditions (if any) as it thinks it is just to impose, where it considers that the failure to give the notice or the delay in bringing the proceedings, as the case may be, was occasioned by mistake or by any other reasonable cause or that the personal representative was not materially prejudiced in his defence or otherwise by the failure or delay. No distribution of any part of the estate of the deceased made before the date of the giv-

ing of the notice of the intended application shall be disturbed by reason of the application or of an order made thereon.

- (4) Where damage has been suffered by reason of any act or omission in respect of which a cause of action would have subsisted against any person if that person had not died before or at the same time as the damage was suffered, there shall be deemed, for the purposes of this Part, to have been subsisting against him before his death such cause of action in respect of that act or omission as would have subsisted if he had died after the damage was suffered.
- (5) The rights conferred by this Part for the benefit of the estates of deceased persons shall be in addition to and not in derogation of any rights conferred by the Deaths by Accidents Compensation Act 1908, and so much of this Part as relates to causes of action against the estates of deceased persons shall apply in relation to causes of action under that Act.
- (6) *[Repealed]*
- (7) No contract of insurance entered into under the Motor-vehicles Insurance (Third-party Risks) Act 1928 in respect of any period before 1 June 1937 shall, notwithstanding anything to the contrary in that Act, be deemed to indemnify the insured—
  - (a) against liability to pay damages in respect of any pain or suffering caused to any person by reason of any act or omission that has caused his death:
  - (b) against liability to pay damages in respect of any cause of action which by virtue of this Part has survived for the benefit of the estate of a deceased person unless proceedings in respect of that cause of action were pending at the date of his death or proceedings are taken in respect of the cause of action not later than 12 months after his personal representative took out representation.
- (8) This section is subject to section 5 of the Accident Compensation Act 1972.

Compare: 24 & 25 Geo V c 41 s 1

Section 3(1) proviso: replaced, on 3 October 1975, by section 6(2) of the Domestic Actions Act 1975 (1975 No 53).

Section 3(2)(b): repealed, on 3 October 1975, by section 6(3) of the Domestic Actions Act 1975 (1975 No 53).

Section 3(2)(d): inserted, on 2 September 1996, by section 2(1) of the Law Reform Amendment Act 1996 (1996 No 130).

Section 3(3)(b): amended, on 1 January 1952, by section 35(2) of the Limitation Act 1950 (1950 No 65).

Section 3(3)(b) proviso: inserted, on 26 October 1955, by section 2(1) of the Law Reform Amendment Act 1955 (1955 No 73).

Section 3(3A): inserted, on 26 October 1955, by section 2(2) of the Law Reform Amendment Act 1955 (1955 No 73).

Section 3(3A): amended, on 1 January 2011, by section 58 of the Limitation Act 2010 (2010 No 110).

Section 3(6): repealed, on 1 January 1971, by section 171(1) of the Insolvency Act 1967 (1967 No 54).

Section 3(8): inserted, on 1 April 1974, by section 184 of the Accident Compensation Act 1972 (1972 No 43).

## **Part 2**

### **Deaths by accidents compensation**

*[Repealed]*

Part 2: repealed, on 1 January 1953, by section 23(1) of the Deaths by Accidents Compensation Act 1952 (1952 No 35).

#### **4 This Part to form part of Deaths by Accidents Compensation Act 1908**

*[Repealed]*

Section 4: repealed, on 1 January 1953, by section 23(1) of the Deaths by Accidents Compensation Act 1952 (1952 No 35).

#### **5 Extension of terms parent and child for purposes of principal Act**

*[Repealed]*

Section 5: repealed, on 1 January 1953, by section 23(1) of the Deaths by Accidents Compensation Act 1952 (1952 No 35).

#### **6 Funeral expenses recoverable**

*[Repealed]*

Section 6: repealed, on 1 January 1953, by section 23(1) of the Deaths by Accidents Compensation Act 1952 (1952 No 35).

#### **7 In assessing damages, no account to be taken of any gain consequent on the death of the deceased person**

*[Repealed]*

Section 7: repealed, on 1 January 1953, by section 23(1) of the Deaths by Accidents Compensation Act 1952 (1952 No 35).

#### **8 Application of this Part**

*[Repealed]*

Section 8: repealed, on 1 January 1953, by section 23(1) of the Deaths by Accidents Compensation Act 1952 (1952 No 35).

### Part 3

#### **Charges on insurance moneys payable as indemnity for liability to pay damages or compensation**

**9 Amount of liability to be charge on insurance moneys payable against that liability**

- (1) If any person (hereinafter in this Part referred to as the **insured**) has, whether before or after the passing of this Act, entered into a contract of insurance by which he is indemnified against liability to pay any damages or compensation, the amount of his liability shall, on the happening of the event giving rise to the claim for damages or compensation, and notwithstanding that the amount of such liability may not then have been determined, be a charge on all insurance moneys that are or may become payable in respect of that liability.
- (2) If, on the happening of the event giving rise to any claim for damages or compensation as aforesaid, the insured has died insolvent or is bankrupt or, in the case of a corporation, is being wound up, or if any subsequent bankruptcy or winding up of the insured is deemed to have commenced not later than the happening of that event, the provisions of the last preceding subsection shall apply notwithstanding the insolvency, bankruptcy, or winding up of the insured.
- (3) Every charge created by this section shall have priority over all other charges affecting the said insurance moneys, and where the same insurance moneys are subject to 2 or more charges by virtue of this Part those charges shall have priority between themselves in the order of the dates of the events out of which the liability arose, or, if such charges arise out of events happening on the same date, they shall rank equally between themselves.
- (4) Every such charge as aforesaid shall be enforceable by way of an action against the insurer in the same way and in the same court as if the action were an action to recover damages or compensation from the insured; and in respect of any such action and of the judgment given therein the parties shall, to the extent of the charge, have the same rights and liabilities, and the court shall have the same powers, as if the action were against the insured:  
provided that, except where the provisions of subsection (2) apply, no such action shall be commenced in any court except with the leave of that court.
- (5) Such an action may be brought although judgment has been already recovered against the insured for damages or compensation in respect of the same matter.
- (6) Any payment made by an insurer under the contract of insurance without actual notice of the existence of any such charge shall to the extent of that payment be a valid discharge to the insurer, notwithstanding anything in this Part contained.
- (7) No insurer shall be liable under this Part for any sum beyond the limits fixed by the contract of insurance between himself and the insured.

**9A Claims for damages or compensation against estate of deceased owner where no administrator**

- (1) Where—
- (a) any person desires to claim damages or compensation on account of any event, whether happening before or after the commencement of this section, in respect of which a contract of insurance was in force at the time of the happening of the event indemnifying the insured from liability in respect of those damages or that compensation; and
  - (b) the insured is deceased and there is in New Zealand no administrator within the meaning of the Administration Act 1969 of the estate of the insured,—

the person desiring to claim those damages or that compensation may give notice in writing to the insurer requiring the insurer to nominate some person to be the defendant in place of the insured in any action proposed to be brought in any court claiming those damages or that compensation.

- (2) Within 14 days after the service on the insurer of such a notice, the insurer may, by notice in writing served on the claimant, nominate some person (with his consent) to be the defendant in the proposed action, and thereupon the claimant may sue the defendant so nominated, describing him as the administrator *ad litem* of the estate of the insured.
- (3) If within the said period of 14 days the insurer does not nominate a defendant as aforesaid, the court in which an action claiming those damages or that compensation is intended to be commenced may, on the application of the claimant, appoint Public Trust to be the administrator *ad litem* of the estate of the insured for the purposes of the intended action, and it shall be the duty of Public Trust to act as such.
- (4) Where any such appointment is made, the claimant may sue Public Trust, describing it as the administrator *ad litem* of the estate of the insured.
- (5) The person nominated as the defendant by the insurer or, as the case may be, Public Trust shall be indemnified by the insurer in respect of any judgment against him (including the costs of the action and any costs awarded under subsection (6)), and also in respect of all costs and expenses reasonably incurred by him in or in connection with the action irrespective of the result of the action, and, in the case of Public Trust, shall be entitled to recover from the insurer reasonable remuneration for its services:

provided that, where in any such action the plaintiff obtains judgment against the administrator *ad litem*, the judgment shall not be enforceable against the administrator *ad litem* by execution or otherwise except to the extent to which the insured was entitled to be indemnified by the insurer under the contract of insurance, and, to the extent to which the judgment is not so enforceable, the amount thereof shall be deemed to be a liability of the estate (if any) of the insured, and shall be enforceable accordingly against that estate.

- (6) Where in any action against Public Trust as administrator *ad litem* the plaintiff recovers judgment, the court may award the plaintiff his costs of and incidental to the order appointing Public Trust as such administrator.
- (7) No appointment or nomination of an administrator *ad litem* under this section shall confer any rights or impose any obligations on Public Trust or on the person so nominated in respect of any other assets of the estate of the insured or any liabilities in connection with that estate.

Section 9A: inserted, on 24 October 1957, by section 2 of the Law Reform Amendment Act 1957 (1957 No 59).

Section 9A(1)(b): amended, on 1 January 1971, pursuant to section 84(1) of the Administration Act 1969 (1969 No 52).

Section 9A(3): amended, on 1 March 2002, by section 170(1) of the Public Trust Act 2001 (2001 No 100).

Section 9A(4): amended, on 1 March 2002, by section 170(1) of the Public Trust Act 2001 (2001 No 100).

Section 9A(5): amended, on 1 March 2002, by section 170(1) of the Public Trust Act 2001 (2001 No 100).

Section 9A(6): amended, on 1 March 2002, by section 170(1) of the Public Trust Act 2001 (2001 No 100).

Section 9A(7): amended, on 1 March 2002, by section 170(1) of the Public Trust Act 2001 (2001 No 100).

## 10 Consequential repeals

Section 48 of the Workers' Compensation Act 1922 and section 10 of the Motor-vehicles Insurance (Third Party Risks) Act 1928 are hereby consequentially repealed:

provided that where the event giving rise to a claim for damages or compensation happens before the passing of this Act all rights under those sections, whether accrued on the passing of this Act or subsequently accruing, shall subsist for the benefit of the person having the claim.

## Part 4

### Capacity, property, and liabilities of married women, and liabilities of husbands

#### 11 This Part to form part of the Married Women's Property Act 1908

*[Repealed]*

Section 11: repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

#### 12 Capacity of married women

*[Repealed]*

Section 12: repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

**13 Property of married women**

*[Repealed]*

Section 13: repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

**14 Abolition of husband's liability for wife's torts and ante-nuptial contracts, debts, and obligations**

*[Repealed]*

Section 14: repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

**15 Savings**

*[Repealed]*

Section 15: repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

**16 Consequential amendments**

(1) *[Repealed]*

(2) *[Repealed]*

(3) *[Repealed]*

(4) *Amendment(s) incorporated in the Act(s).*

(5) *[Repealed]*

Section 16(1): repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

Section 16(2): repealed, on 1 January 1971, by section 171(1) of the Insolvency Act 1967 (1967 No 54).

Section 16(3): repealed, on 1 April 1963, by section 68(2)(c) of the Copyright Act 1962 (1962 No 33).

Section 16(5): repealed, on 1 January 1965, by section 90(1) of the Matrimonial Proceedings Act 1963 (1963 No 71).

## Part 5 Liability of tortfeasors

**17 Proceedings against, and contribution between, joint and several tortfeasors**

- (1) Where damage is suffered by any person as a result of a tort (whether a crime or not)—
  - (a) judgment recovered against any tortfeasor liable in respect of that damage shall not be a bar to an action against any other person who would, if sued, have been liable as a joint tortfeasor in respect of the same damage:

- (b) if more than 1 action is brought in respect of that damage by or on behalf of the person by whom it was suffered, or for the benefit of the estate, or of the wife, husband, civil union partner, de facto partner, parent, or child of that person, against tortfeasors liable in respect of the damage (whether as joint tortfeasors or otherwise), the sums recoverable under the judgments given in those actions by way of damages shall not in the aggregate exceed the amount of the damages awarded by the judgment first given; and in any of those actions, other than that in which judgment is first given, the plaintiff shall not be entitled to costs unless the court is of opinion that there was reasonable ground for bringing the action:
  - (c) any tortfeasor liable in respect of that damage may recover contribution from any other tortfeasor who is, or would if sued in time have been, liable in respect of the same damage, whether as a joint tortfeasor or otherwise, so, however, that no person shall be entitled to recover contribution under this section from any person entitled to be indemnified by him in respect of the liability in respect of which the contribution is sought.
- (1A) *[Repealed]*
- (2) In any proceedings for contribution under this section the amount of the contribution recoverable from any person shall be such as may be found by the court to be just and equitable having regard to the extent of that person's responsibility for the damage; and the court shall have power to exempt any person from liability to make contribution, or to direct that the contribution to be recovered from any person shall amount to a complete indemnity.
  - (3) For the purposes of this section—
    - (a) the expressions **parent** and **child** have the same meanings as they have for the purposes of the Deaths by Accident Compensation Act 1908, as amended by Part 2 of this Act:
    - (b) the reference in this section to **the judgment first given** shall, in a case where that judgment is reversed on appeal, be construed as a reference to the judgment first given which is not so reversed, and, in a case where a judgment is varied on appeal, be construed as a reference to that judgment as so varied.
  - (4) Nothing in this section shall—
    - (a) affect any criminal proceedings against any person in respect of any wrongful act; or
    - (b) render enforceable any agreement for indemnity which would not have been enforceable if this section had not been passed.
  - (5) Section 99 of the District Court Act 2016 shall not hereafter apply with respect to any action or other proceeding to which this Part applies.

Compare: 25 & 26 Geo V c 30 s 6

Section 17(1)(b): amended, on 26 April 2005, by section 7 of the Relationships (Statutory References) Act 2005 (2005 No 3).

Section 17(1)(c): amended, on 1 January 1952, by section 35(2) of the Limitation Act 1950 (1950 No 65).

Section 17(1A): repealed, on 23 October 1963, by section 9(2)(b) of the Matrimonial Property Act 1963 (1963 No 72).

Section 17(5): amended, on 1 March 2017, by section 183(b) of the Senior Courts Act 2016 (2016 No 48).

## Part 6

### Liability of employers to their servants for injuries caused by the negligence of fellow servants

#### 18 Defence of common employment abolished

- (1) Where any injury or damage is suffered by a servant by reason of the negligence of a fellow servant, the employer of those servants shall be liable in damages in respect of that injury or damage in the same manner and in the same cases as if those servants had not been engaged in a common employment.
- (2) This section applies to every case in which the relation of employer and servant exists, whether the contract of employment is made before or after the passing of this Act.
- (3) This section shall bind the Crown.
- (4) *[Repealed]*

Section 18(4): repealed, on 1 January 1952, by section 34(1) of the Crown Proceedings Act 1950 (1950 No 54).

## Part 7

### Covenants in leases not to assign or underlet without consent of lessor

*[Repealed]*

Part 7: repealed, on 1 January 1953, by section 155(2) of the Property Law Act 1952 (1952 No 51).

#### 19 Provisions as to covenants in leases not to assign, etc, without licence or consent

*[Repealed]*

Section 19: repealed, on 1 January 1953, by section 155(2) of the Property Law Act 1952 (1952 No 51).

**Schedule**  
**Consequential amendments of the Married Women's Property Act**  
**1908**

*[Repealed]*

Schedule: repealed, on 1 January 1953, by section 27(1) of the Married Women's Property Act 1952 (1952 No 53).

## Reprints notes

### 1 *General*

This is a reprint of the Law Reform Act 1936 that incorporates all the amendments to that Act as at the date of the last amendment to it.

### 2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### 3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### 4 *Amendments incorporated in this reprint*

Senior Courts Act 2016 (2016 No 48): section 183(b)  
Limitation Act 2010 (2010 No 110): section 58  
Relationships (Statutory References) Act 2005 (2005 No 3): section 7  
Public Trust Act 2001 (2001 No 100): section 170(1)  
Law Reform Amendment Act 1996 (1996 No 130)  
Domestic Actions Act 1975 (1975 No 53): section 6(2), (3)  
Accident Compensation Act 1972 (1972 No 43): section 184  
Administration Act 1969 (1969 No 52): section 84(1)  
Insolvency Act 1967 (1967 No 54): section 171(1)  
Matrimonial Property Act 1963 (1963 No 72): section 9(2)(b)  
Matrimonial Proceedings Act 1963 (1963 No 71): section 90(1)  
Copyright Act 1962 (1962 No 33): section 68(2)(c)  
Law Reform Amendment Act 1957 (1957 No 59)  
Law Reform Amendment Act 1955 (1955 No 73): section 2  
Married Women's Property Act 1952 (1952 No 53): section 27(1)  
Property Law Act 1952 (1952 No 51): section 155(2)  
Deaths by Accidents Compensation Act 1952 (1952 No 35): section 23(1)  
Limitation Act 1950 (1950 No 65): section 35(2)  
Crown Proceedings Act 1950 (1950 No 54): section 34(1)

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