

**THE RIOT AND CIVIL COMMOTION RISKS  
INSURANCE ORDINANCE, 1947**

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**THE RIOT AND CIVIL COMMOTION RISKS  
INSURANCE ORDINANCE, 1947**

ORDINANCE NO. III OF 1947

[7<sup>th</sup> November, 1947]

**An Ordinance to provide for the insurance of certain  
property against Riot and Civil Commotion Risks. \***

WHEREAS an emergency has arisen which makes it necessary to provide for the insurance of certain property against Riot and Civil Commotion Risks;

NOW, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935, the Governor-General is pleased to make and promulgate the following Ordinance, namely: -

Short title,  
extent and  
application

1. (1) This Ordinance may be called the Riot and Civil Commotion Risks Insurance Ordinance, 1947.

(2) It extends to the whole of Bangladesh.

(3) The Government may, by notification in the *official Gazette*, apply it to the whole of Bangladesh or any part thereof from such date and in such manner as may be specified in the said notification.

Definitions

2. In this Ordinance, unless there is anything repugnant in the subject or context-

(1) "factory" means a factory as defined in clause (j) of section 2 of the Factories Act, 1934;

(2) "factory buildings" includes all buildings comprised in the factory, and such other buildings (including residential

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\* Throughout this Act, the words "Bangladesh" and "Government" were substituted for the words "Pakistan" and "Central Government" respectively by section 3 and the Second Schedule of the Bangladesh Laws (Revision and Declaration) Act, 1973 (Act No. VIII of 1973).

buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory as are in the same ownership or occupation as the factory and are used for the purpose of the factory;

- (3) "the Fund" means the Riot and Civil Commotion Insurance Fund constituted under section 11 hereafter mentioned;
- (4) "Riot and Civil Commotion Risks" means the risks of loss or damage (including loss or damage due to fire or explosion) directly caused by persons taking part in riots or civil commotions or by strikers or locked-out workers or by persons of malicious intent acting on behalf of or in connection with any political organization; also loss or damage (including loss or damage due to fire or explosion) directly caused by the action of any lawfully constituted Authority in connection with the foregoing perils only:

Provided always that the following shall be expressly excluded from the scope of this section:-

- (i) loss or damage caused by any of the perils hereby insured against, if such loss or damage either in origin or extent is directly or indirectly proximately or remotely, occasioned by or contributed to by any of the following occurrences, or, either in origin or extent directly or indirectly, proximately or remotely, arises out of or in connection with any of such occurrences, namely, war, invasion, act of foreign enemy, hostilities or warlike operations, (whether war be declared or not);
  - (ii) loss or damage occasioned by cessation of work;
  - (iii) consequential loss or damage of any kind or description whatsoever including delay, deterioration and loss of market;
- (5) "prescribed" means prescribed by rules made by the Government under this Ordinance.

**3.** (1) Subject to the provisions of this Ordinance every factory, factory buildings and other moveable or immoveable property described in the Schedule shall be deemed to be the property insurable under this Ordinance.

Properties  
insurable under  
this Ordinance

(2) The Government may, by notification in the *official Gazette*, from time to time amend the Schedule by adding thereto or omitting therefrom any kind of property.

Ownership

4. Save in so far as is otherwise expressly provided in this Ordinance, any property shall, subject to the provisions of this section, be deemed for the purposes of this Ordinance, to be owned-

- (a) if the ownership of the property is for the time being vested in a person in relation to whom the property is insurable under this Ordinance, by that person;
- (b) if the ownership of the property is not so vested, by any person in relation to whom the property is insurable under this Ordinance and who is for the time being entitled either unconditionally, or conditionally to have the ownership of the property vested in him:

Provided that where-

- (i) any property would, under the foregoing provisions of this sub-section, be deemed to be owned by a person in whom the property therein is vested otherwise than in the course of a business carried on by him in the Province, or who is entitled to have the ownership of the property vested in him otherwise than in the course of such a business; and
- (ii) any person carrying on business in the Province is for the time being entitled to sell the property as agent, the property shall be deemed to be owned by the last mentioned person.

5. [*Insurance Scheme.- Repealed by section 2 of the Riot and Civil Commotion Risks Insurance (Repealing) Ordinance, 1948 (Ordinance No. XXII of 1948).*]

6. [*Premium rate.- Repealed by section 2 of the Riot and Civil Commotion Risks Insurance (Repealing) Ordinance, 1948 (Ordinance No. XXII of 1948).*]

Employment of  
agents by  
Government

7. The Government may employ or authorise the employment of any person or firm as prescribed in order to act as its agent for any of the purposes of this Ordinance and may pay to the persons or firms so employed such remuneration as the Government thinks fit.

**8.** [*Compulsory insurance.- Repealed by section 2 of the Riot and Commotion Risks Insurance (Repealing) Ordinance, 1948 (Ordinance No. XXII 1948).*]

**9.** (1) Where any person has failed to insure as, or to the full amount required by this Ordinance and has thereby evaded the payment by way of premium of any money which he would have had to pay but for such failure, an officer authorised in this behalf by the Government may determine the amount, payment of which has been evaded. The amount so determined shall be payable by such person and shall be recoverable from him as an arrear of land revenue and shall be a first charge on the property in respect of which the default was made.

Recovery of  
premiums  
unpaid

(2) A person against whom a determination is made under sub-section (1) may, within the prescribed period appeal against such determination to the Government whose decision shall be final.

**10.** [*Restriction on carrying on certain insurance business.- Repealed by section 2 of the Riot and Civil Commotion Risks Insurance (Repealing) Ordinance, 1948 (Ordinance No. XXII of 1948).*]

**11.** (1) The Government shall establish or cause to be established a Fund <sup>1</sup>[\* \* \*] for the purposes of this Ordinance, to be called the Riot and Civil Commotion Insurance Fund into which shall be paid all sums received by the Government by way of Insurance premiums under the Riot and Civil Commotion Insurance Scheme or by way of payments made on composition of offences under section 15, or ordered to be paid under section 545 of the Code of Criminal Procedure, 1898, in any prosecution under this Ordinance, and out of which shall be paid all sums required for the discharge by the Government of any of its liabilities under the Riot and Civil Commotion Insurance Scheme, or for the payment by the Government of the remuneration and expenses of agents employed for the purposes of that Scheme.

Riot and Civil  
Commotion  
Insurance Fund

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<sup>1</sup> The words "in a Province" were omitted by section 4 of the Bangladesh Laws (Revision and Declaration) (Second Amendment) Act, 2000 (Act No. XL of 2000).

(2) If, at any time, when a payment is to be made out of the Fund, the sum standing to the credit of the Fund is less than the sum required for the making of that payment an amount equal to the deficiency shall be paid into the Fund as an advance out of general revenues.

(3) If, at any time, the amount standing to the credit of the Fund exceeds the sum which, in the opinion of the Government, is likely to be required for the making of payments out of the Fund, the excess shall be paid into general revenues.

(4) The Government shall prepare in such form and manner as may be prescribed, and shall publish either annually or at such shorter intervals as may be prescribed, an account of all sums received into and paid out of the Fund.

Power of  
Government to  
obtain  
information

**12.** (1) Any person authorised in this behalf by the Government may, for the purpose of ascertaining whether or not the requirements of this Ordinance have been complied with-

- (a) require any person carrying on in any part of Bangladesh the business of fire insurance or an owner of property to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary; or
- (b) at any reasonable time enter any premises occupied by any person carrying on in any part of Bangladesh any such business or by such owner of the property, and inspect the premises and require any person found therein who is for the time being in charge thereof to produce to him and allow him to examine such accounts, books or other documents as may relate to the business carried on in the premises or to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with a request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to five hundred taka.

(3) Whoever in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand taka.

**13.** (1) Where property of any description has been insured, by an owner for any period, and before that period has elapsed property of that description has ceased, by virtue of a notification under sub-section (2) of section 3, to be property insurable under this Ordinance, the person who has insured such property shall be entitled to a proportionate refund of premium.

Refund of premiums in certain cases

(2) In any other case the Government may, at its discretion, order a refund to be made of any sum paid or purporting to have been paid as premium in respect of any policy issued or purporting to have been issued under this Ordinance.

(3) On and after the eighth day of November, 1947 no suit shall be maintainable in any civil Court against the Government or a person acting as agent of the Government under section 7 for the refund of money paid or purporting to have been paid as premium in respect of any policy issued or purporting to have been issued under this Ordinance.

**14.** No prosecution for any offence punishable under this Ordinance shall be instituted against any person except by or with the consent of the Government or any authority on whom powers are conferred in this behalf by the Government.

Limitation on prosecution

**15.** Any offence punishable under sub-section (2) of section 8 may, either before or after the institution of the prosecution, be compounded by the Government or by any authority on whom powers are conferred in this behalf by the Government, on payment for credit to the Fund of such sum as the Government or such authority, as the case may be, thinks fit.

Composition of offences

**16.** No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Ordinance.

Bar of legal proceedings

Power to make  
rules

**17.** (1) The Government may, by notification in the *official Gazette*, make rules to carry into effect the provisions of this Ordinance.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe-

- (a) the forms of the policies of insurance referred to in sub-section (2) of section 6, the maximum period in respect of which such policies shall be issued, the rates at which premiums on such policies shall be payable and the minimum amount which shall be payable as any one premium on such policies;
- (b) persons or firms to be prescribed for the purposes of section 7;
- (c) the procedure in making determination and in presenting appeals from determination made under section 9; and
- (d) the form of and the manner of preparing the account referred to in sub-section (4) of section 11 and the intervals at which such account shall be published.

#### **SCHEDULE**

(See section 3)

- (1) Cotton ginning factories including the factory buildings.
  - (2) Cotton pressing factories including the factory buildings.
  - (3) Cotton in (1) and (2) above.
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