Zambia

Medical Aid Societies and Nursing Homes (Dissolution and Prohibition) Act, 1975

Chapter 317

Legislation as at 31 December 1996

FRBR URI: /akn/zm/act/1975/21/eng@1996-12-31

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PDF created on 20 April 2022 at 16:28.

Collection last checked for updates: 31 December 1996.

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Zambia

Medical Aid Societies and Nursing Homes (Dissolution and Prohibition) Act, 1975

Chapter 317

Commenced on 1 August 1975

[This is the version of this document at 31 December 1996.]

[21 of 1975; 13 of 1994]

An Act to provide for the winding up and dissolution of medical aid societies; to prohibit the establishment and operation of medical aid societies and nursing homes; and to provide for matters connected with or incidental to the foregoing.

1. Short title and commencement

This Act may be cited as the Medical Aid Societies and Nursing Homes (Dissolution and Prohibition) Act, and is deemed to have come into operation on the 1st August, 1975.

2. Interpretation

In this Act, unless the context otherwise requires—

"consulting room" means any premises, other than a nursing home, used or intended to be used for the consultation, advice and treatment of patients, usually provided by a medical practitioner or a dental surgeon and includes a clinic but does not include—

(a) any consulting room maintained or controlled by the Government; or

(b) any institution or premises exempted by the Minister or the Council from the provisions of this Act or any other written law;

"Council" means the Medical Council of Zambia;

"maternity ward" means part of any premises in a hospital or nursing home used or intended to be used for the reception of pregnant women, or of women immediately after child-birth;

"nursing home" means any premises used or intended to be used for the reception of, and the provision of nursing care to, persons suffering from any disease, injury or infirmity, and includes a hospital or maternity ward in such hospital or nursing home but does not include—

(a) any hospital, maternity home or other like premises maintained or controlled by the Government; or

(b) any institution exempted by the Minister or the Council from the provisions of this Act or any other written law;

"Societies" means the Commercial and Industrial Medical Aid Society Limited and the Zambia Medical Aid Society Limited, companies registered under the Companies Act.

[Cap. 388]
3. **Dissolution of Societies**
   
   (1) The Commercial and Industrial Medical Aid Society Limited and the Zambia Medical Aid Society Limited shall, with effect from the commencement of this Act, cease to exist except for the purpose of winding up their affairs.
   
   (2) When the Minister is satisfied that all necessary agreements and arrangements have been made for the winding up of the affairs of the Societies so that they may be dissolved, the Minister shall by statutory notice appoint a date on which the Societies shall be dissolved.

4. **Winding up of Societies**
   
   (1) Subject to the provisions of this Act, the Societies shall be wound up in accordance with the provisions of the Companies Act relating to voluntary winding up.
   
   (2) No person shall be appointed a liquidator of either of the Societies without the prior written approval of the Minister, and any liquidator so appointed shall be paid out of the assets of that Society such remuneration as may be approved by the Minister.

5. **Prohibition of transfer of property of Societies**
   
   (1) No person shall transfer any money, property or other assets of either of the Societies, whether by gift, loan, payment, sale or other disposition, and whether for the purpose of the winding up of the affairs of that Society or otherwise, without the prior written approval of the Minister.
   
   (2) Any transfer of money, property or other assets in contravention of this section shall be null and void.

6. **Prohibition of establishment and operation of medical aid societies and nursing homes**
   
   (1) With effect from the commencement of this Act—
      
      (a) no company, society or other association shall be formed in the Republic for the purpose of providing directly or indirectly to its members medical, surgical or other curative treatment or preventive health service or of reimbursing such members the whole or part of any expenses incurred by such members in obtaining such treatment or such service, or providing to such members any other benefit during or in relation to their sickness, injury or other indisposition;
      
      (b) no person shall establish or operate any maternity ward or nursing home.
   
   (2) Notwithstanding the provisions of subsection (1), the Minister may grant exemption from the provisions of this Act or permit the establishment or operation of a nursing home on such conditions as the Minister may impose.

7. **Consequences of dissolution of Societies**
   
   Notwithstanding anything to the contrary contained in any written law or in the memorandum and articles of association of either of the Societies or in any other document, the winding up and dissolution of the Societies under this Act shall not operate as a breach of contract by either of the Societies, and the contractual rights and obligations of any person affected by such winding up and dissolution shall,
upon the commencement of this Act, be determined in accordance with the provisions of the Law Reform (Frustrated Contracts) Act.

[Ccap. 73]

8. Closure of nursing homes

The Minister may order the person who owns or operates any nursing home which is established or operated in contravention of this Act to close down such nursing home.

9. Offences

Any person who after the publication of this Act contravenes any provision thereof or any order made thereunder shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding seven thousand five hundred penalty units, or to both.

[As amended by Act No. 13 of 1994]

10. Regulations

The Minister may, by statutory instrument, make regulations and in writing give directions for the better carrying into effect of this Act.