

Chapter 257.
Life Policies Protection Act 1951.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.



Chapter 257.

Life Policies Protection Act 1951.

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 “the insured”
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2. Application.
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INDEPENDENT STATE OF PAPUA NEW GUINEA.



AN ACT

entitled

Life Policies Protection Act 1951,

Being an Act to amend the law relating to the encouragement and protection of life insurances and other life provident arrangements.

1. INTERPRETATION.

In this Act, unless the contrary intention appears—

“insurance company” means a company that issues or is liable under policies of assurance on human life;

“the insured” means a person effecting or entering into a policy or contract with an insurance company for the payment of a sum of money to—

- (a) himself at some future period; or
- (b) his personal representatives at his death;

“policy” means an instrument by which the payment of moneys by or out of the funds of an insurance company on the happening of a contingency depending on the duration of human life, whether by way of—

- (a) life insurance; or
- (b) endowment; or
- (c) annuity or otherwise,

is assured or secured.

2. APPLICATION.

(1) This Act applies to every policy, whenever effected, including a policy referred to in Section 10 of the *Married Women’s Property Act 1953*, *bona fide* effected by a married woman on her own life.

(2) Section 3(2) applies to—

- (a) judgements, orders or processes of court, whenever signed, made or issued; and
- (b) every insured adjudged insolvent.

3. INTEREST OF INSURED PROTECTED IN CERTAIN CASES.

(1) Where the time stipulated by a policy during which premiums continue to be payable during the lifetime of the insured is less than seven years, this section does not apply until the policy has endured for at least three years, except in the case of the death of the insured.

(2) Subject to this Act, the property and interest of the insured in a policy effected on his own life—

- (a) is not liable to be applied or made available in payment of his debts by a judgement, order or process of a court; and
- (b) in the event of his insolvency, passes to the trustee of his estate, except to the extent of any charge on the policy in respect of the amount of the premiums paid on the policy during the two years preceding the date of the adjudication of insolvency.

(3) Subject to this Act, where an insured person dies the moneys payable on his death under or in respect of a policy effected on his life is not liable to be applied or made available in payment of his debts—

- (a) by a judgement, order or process of a court; or
- (b) by retainer by an executor or administrator; or
- (c) in any other manner,

except by virtue of—

- (d) a contract or charge made by the insured in his lifetime; or
- (e) an express direction in his will or other testamentary instrument executed by him that the moneys arising from the policy shall be so applied.

(4) A direction to pay debts, a charge of debts on the whole or part of the testator's estate or a trust for the payment of debts is not an express direction within the meaning of Subsection (3).

(5) Where an insured person dies within three years from the date of the policy, a sum equal to all sums that have been paid by way of premium on the policy, with simple interest at the rate of 5% per annum—

- (a) shall be set apart from the moneys payable under the policy; and
- (b) shall be available for the payment of the debts of the insured.

Office of Legislative Counsel, PNG