

LIFE POLICIES PROTECTION ORDINANCE 1951.⁽¹⁾

No. 49 of 1951.

An Ordinance to amend the law relating to the Encouragement and Protection of Life Insurances and other Like Provident Arrangements.

BE it ordained by the Administrator of the Government of the Commonwealth of Australia, with the advice of the Federal Executive Council, in pursuance of the powers conferred by the *Papua and New Guinea Act 1949-1950*, as follows:—

Short title. **1.** This Ordinance may be cited as the *Life Policies Protection Ordinance 1951.*⁽¹⁾

Commencement. **2.** This Ordinance shall come into operation on a date to be fixed by the Administrator by notice⁽¹⁾ in the *Gazette*.

Repeal. **3.** The *Life Policies Protection Ordinance, 1912*⁽²⁾ of the Territory of Papua is repealed.

Application of Ordinance. **4.—(1.)** This Ordinance applies to every policy of assurance whether effected before or after the date of commencement of this Ordinance.

(2.) The provisions of sub-section (1.) of section six of this Ordinance apply after the date of commencement of this Ordinance to judgments, orders or processes of court signed, made or issued before or after the date of commencement of this Ordinance and to every insured adjudged insolvent after the date of commencement of this Ordinance.

(3.) The provisions of sub-section (2.) of section six of this Ordinance apply in the Territory of Papua to every insured person dying after the date of commencement of the *Life Policies Protection Ordinance, 1912*⁽²⁾ of the Territory of Papua and in the Territory of New Guinea to every insured person dying after the date of commencement of this Ordinance.

(1) Particulars of this Ordinance are as follows:—

| Date on which made by Cwth. Administrator in Council. | Date on which notified in <i>Cwth. Gaz.</i> | Date on which took effect. |
|---|---|---|
| 13.11.1951 | 13.11.1951 | 22.11.1951 (Papua and N.G. <i>Govt. Gaz.</i> of 22.11.1951) |

(2) Printed in the *Laws of the Territory of Papua 1888-1945 (Annotated)*, Vol. III., on pp. 2347-2348.

5. In this Ordinance, unless the contrary intention appears— Definitions.

“insurance company” means a person who issues or is liable under policies of assurance upon human life;

“policy” or “policy of assurance” 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 upon the duration of human life, whether by way of life insurance, endowment, annuity or otherwise, is assured or secured;

“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 himself at some future period or to his personal representatives at his death.

6.—(1.) Subject to this Ordinance, the property and interest of the insured in a policy effected on his own life shall not— Interest of insured protected in certain cases.

(a) be liable to be applied or made available in payment of his debts by a judgment, order or process of a court; and

(b) on the event of his insolvency, pass to the trustee of his estate, except to the extent of a charge on the policy in respect of the amount of the premiums paid on the policy during the two years next preceding the date of the adjudication of insolvency.

(2.) Subject to this Ordinance, where an insured person dies, the moneys payable upon the death of the insured under or in respect of a policy effected upon his life shall not be liable to be applied or made available in payment of his debts—

(a) by a judgment, order or process of a court;

(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 contained in his will or other testamentary instrument executed by him that the moneys arising from the policy shall be so applied.

(3.) A direction to pay debts, a charge of debts upon the whole or part of the testator's estate or a trust for the payment of debts shall not be deemed to be an express direction within the meaning of the last preceding sub-section.

(4.) Where an insured person dies within three years from the date of the policy, a sum equal to all sums which have been paid by way of premium on the policy, with simple interest thereon

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at the rate of Five pounds per centum per annum, shall be set apart from the moneys payable under the policy and shall be available for the payment of the debts of the insured.

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