



No. 2 of 2002.

Life Insurance (Amendment) Act 2002.

Certified on: 09.04.02



INDEPENDENT STATE OF PAPUA NEW GUINEA

No. of 2002.

Life Insurance (Amendment) Act 2002.

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 3).
2. Life insurance business (Amendment of Section 6).
3. Unauthorized operations (Amendment of Section 13).
4. Declarations that insurance business is life insurance business (Amendment of Section 14).
5. Duration of licence (Amendment of Section 23).
6. Publication of names of licence holders (Amendment of Section 28).
7. Issue of notice or direction (Amendment of Section 29).
8. Requirement that licence holders have statutory funds (Amendment of Section 75).
9. Payment of fees (Amendment of Section 138).
10. Restrictions on establishment or maintenance of branch offices (Amendment of Section 150).
11. Amendment of Schedule 2.
12. Amendment of Schedule 3.



INDEPENDENT STATE OF PAPUA NEW GUINEA

AN ACT

entitled

Life Insurance (Amendment) Act 2002,

Being an Act to amend the *Life Insurance Act 2000,*

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with and in accordance with, the advice of the Minister.

1. INTERPRETATION (AMENDMENT OF SECTION 3).

Section 3 of the Principal Act is amended –

- (a) by repealing the definition of "licence holder" and replacing it with the following:–

““licence holder” means a life insurance company under this Act;”.

- (b) by repealing the definition of "superannuation fund" and replacing it with the following:–

“superannuation fund” means an indefinitely continuing fund created for retirement or other related purposes by statute or trust deed or other instrument;” and

2. LIFE INSURANCE BUSINESS (AMENDMENT OF SECTION 6).

Section 6(1) of the Principal Act is amended–

- (a) by repealing Paragraph (c); and
(b) in Paragraph (d), by repealing the words " Paragraphs (a), (b) and (c)" and replacing them with the following:–

"Paragraphs (a) and (b)".

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3. UNAUTHORIZED OPERATIONS (AMENDMENT OF SECTION 13).

Section 13 of the Principal Act is amended –

(a) by inserting after Subsection (1) the following new subsections:–

"(1A) A person, who carries on the operations of a life insurance broker or any aspect of a life insurance broker and has not first obtained the approval of the Central Bank, is guilty of an offence.

"(1B) In granting approval to carry on the operations of a life insurance broker or any aspect of the business of a life insurance broker, the Central Bank shall be satisfied that –

- (a) the life insurance broker and its directors and officers are fit and proper persons in accordance with the requirements of this Act; and
- (b) the life insurance broker maintains professional indemnity and other insurances to an adequate level; and
- (c) the life insurance broker maintains trust accounts for the receipt and payment of client's moneys."; and

(b) by repealing Subsection (1)(c).

4. DECLARATIONS THAT INSURANCE BUSINESS IS LIFE INSURANCE BUSINESS (AMENDMENT OF SECTION 14).

Section 14 of the Principal Act is amended–

(a) by repealing Subsection (2) and replacing it with the following:–

"(2) The Central Bank may, on application of a licence holder or where it considers necessary, declare that a certain business –

- (a) that is carried on by a licence holder; or
- (b) that the licence holder proposes to carry on; or
- (c) that is carried on by an entity which is not a licence holder under this Act,

is not to be treated as a life insurance business under this Act."; and

(b) by repealing Subsection (3).

5. DURATION OF LICENCE (AMENDMENT OF SECTION 23).

Section 23 of the Principle Act is amended by repealing the words “until the expiration of 31 December of the year in which the licence took effect or was last renewed.”.

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6. PUBLICATION OF NAMES OF LICENCE HOLDERS (AMENDMENT OF SECTION 28).

Section 28 of the Principal Act is amended—

(a) in Subsection (1), by repealing Paragraph (b) and replacing it with the following:—

"(b) life insurance brokers; or

(c) exemptions and any conditions attached to such exemptions."; and

(b) in Subsection (2), by inserting after the words "licence holders" the following:—

", life insurance brokers"; and

(c) in Subsection (3), by inserting after the words "licence holders" the following:—

", life insurance brokers"; and

(d) in Subsection (5), by inserting after the words "licence holder's" the following:—

"or life insurance broker's".

7. ISSUE OF NOTICE OR DIRECTION (AMENDMENT OF SECTION 29).

Section 29(1) of the Principal Act is amended by inserting after the words "but not limited to," the following:—

"a life insurance broker,".

8. REQUIREMENT THAT LICENCE HOLDERS HAVE STATUTORY FUNDS (AMENDMENT OF SECTION 75).

Section 75 of the Principle Act is amended by repealing Subsection (2).

9. PAYMENT OF FEES (AMENDMENT OF SECTION 138)

Section 138 of the Principal Act is amended by inserting after Subsection (2) the following new subsection:—

"(2A) Each life insurance broker shall pay an application fee to the Central Bank in the amount and in the manner prescribed by the regulations."

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10. RESTRICTION ON ESTABLISHMENT OR MAINTENANCE OF BRANCH OFFICES (AMENDMENT OF SECTION 150).

Section 150 of the Principal Act is amended by repealing Subsection (2) and replacing it with the following:—

"(2) A licence holder is guilty of an offence where it undertakes any of the following:—

- (a) opens or establishes, whether on its own account or in conjunction with others, a branch or representative office; or
- (b) incorporates or establishes an interest in any business, whether on its own account or in conjunction with others,

without the approval of the Central Bank."

11. AMENDMENT OF SCHEDULE 2.

Schedule 2 of the Principle Act is amended in Section 1 by inserting after the words "licence holder" the following :—

“, life insurance broker”.

12. AMENDMENT OF SCHEDULE 3.

Schedule 3 of the Principle Act is amended by repealing the words "Life Insurance Broker".

I hereby certify that the above is a fair print of the *Life Insurance (Amendment) Act 2002* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Life Insurance (Amendment) Act 2002* was made by the National Parliament on 27 February 2002.

Speaker of the National Parliament.