

No. ~~50~~ of 2000.

Motor Vehicles (Third Party Insurance) (Amendment) Act 2000.

Certified on : 02/02/2001

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2000.

Motor Vehicles (Third Party Insurance) (Amendment) Act 2000.

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 1).
2. Appointment, etc., of Premium-Fixing Advisory Committee (Amendment of Section 26).
3. Repeal and replacement of Section 31.

“31. LEVELS OF PREMIUMS, ETC.”

4. Manner of effecting third-party insurance (Amendment of Section 49).
5. New Sections 71 and 72..

“71. REPLACEMENT OF SUCCESSOR COMPANY.”

“72. ANOTHER NOMINATED COMPANY.”

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2000.

AN ACT

entitled

Motor Vehicles (Third Party Insurance) (Amendment) Act 2000.

Being an Act –

- (a) to substitute Motor Vehicles Insurance Ltd for Motor Vehicles (PNG) Trust Ltd as the company authorized to carry on the insurance business and to perform all the other functions under the Principal Act, with effect from 1 January 1999; and
- (b) to provide for Motor Vehicles Insurance Ltd to accede to and assume responsibility for all claims and liabilities arising out of the provision of third party insurance cover under the Principal Act whether such claims and liabilities arose before or after 1 January 1999; and
- (c) to provide for increases in third party insurance premiums in 2001 and 2002; and
- (d) to provide for an increase in the insured limits for persons covered by third party motor vehicles insurance; and
- (e) to amend the *Motor Vehicles (Third Party Insurance) Act* (Chapter 295),

MADE by the National Parliament.

1. INTERPRETATION (AMENDMENT OF SECTION 1).

Section 1 of the Principal Act is amended –

- (a) by inserting after the definition of “motor vehicles” the following new definition:-

“Motor Vehicles Insurance Ltd’ means the company of that name (or any changed name) under the *Companies Act 1997* with company registration number 1-29221 or any amalgamated company resulting from an amalgamation of the company with one or more companies under the *Companies Act 1997*.”; and

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- (b) by repealing the definition of "successor company" and replacing it with the following new definition:-

"'successor company' means-

- (a) in Part XII, the successor company nominated under Section 65; and
- (b) elsewhere in this Act (other than this definition)-
 - (i) for the period from 14 January to 31 December 1998 inclusive, the successor company nominated under Section 65; and
 - (ii) on and from 1 January 1999, Motor Vehicles Insurance Ltd or such other company as may be nominated under Section 72;".

2. APPOINTMENT, ETC., OF PREMIUM-FIXING ADVISORY COMMITTEE (AMENDMENT OF SECTION 26).

Section 26 of the Principal Act is amended in Subsection (2) by repealing Paragraphs (b) and (c) and replacing them with the following:-

"(b) two other persons appointed by the Minister by notice in the National Gazette."

3. REPEAL AND REPLACEMENT OF SECTION 31.

Section 31 of the Principal Act is repealed and is replaced with the following:-

"31. LEVELS OF PREMIUMS, ETC.

(1) The Minister may, by notice in the National Gazette, fix the levels of premiums and the classification of motor vehicles in respect of the issue of third-party insurance cover, generally or in relation to a class or classes of motor vehicles.

"(2) The Minister shall redetermine and fix the levels of premium for third-party insurance cover in accordance with Subsection (1) whenever he receives a report from the Committee and, in any event, at least once a year.

"(3) Notwithstanding Subsections (1) and (2), the level of premiums for third-party insurance cover for motor vehicles in each class shall increase by not less than the following percentages:-

- (a) for cover issued during the financial year commencing on 1 January 2001, by 25% of the premiums in force at 31 December 2000; and
- (b) for cover issued during the financial year commencing on 1 January 2002, by 25% of the premiums in force at 31 December 2001."

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4. MANNER OF EFFECTING THIRD-PARTY INSURANCE (AMENDMENT OF SECTION 49).

Section 49 of the Principal Act is amended in Subsection (2) Paragraph (a)-

- (a) in Subparagraph (i) by repealing the amount "K100,000.00" and replacing it with the following:-
"K150,000.00"; and
- (b) in Subparagraph (ii) by repealing the amount "K500,000.00" and replacing it with the following:-
"K750,000.00".

5. NEW SECTIONS 71 AND 72.

The Principal Act is amended in Part XII by inserting after Section 70 the following new sections:-

"71. REPLACEMENT OF SUCCESSOR COMPANY.

(1) Subject to Section 72-

- (a) on and from 1 January 1999, Motor Vehicles Insurance Ltd is deemed to be, and to have been at all times on and from that date, the successor company under this Act other than in this Part; and
- (b) all claims and liabilities arising as a result of the provision of third-party insurance cover to owners of motor vehicles under and in accordance with this Act which arose before 1 January 1999, or which arose or may rise after 1 January 1999, are claims against and liabilities of Motor Vehicles Insurance Ltd as the administrator of the Fund.

"(2) Subsection (1) does not alter or affect the ownership of assets held by the successor company prior to 1 January 1999 or the results of the amalgamation of the successor company with PNGBC Ltd and the PNGBC Holding Co. No.1 Ltd (which amalgamation, for the avoidance of doubt, is deemed to have taken effect on 31 December 1998).

"(3) Without limiting the generality of Subsection (2), assets held by the successor company immediately prior to the amalgamation referred to in Subsection (2), which, as a result of the operation of Part VI, are properly regarded as assets of the Fund, remained as assets of the Fund immediately after the amalgamation."

"72. ANOTHER NOMINATED COMPANY.

(1) Where at any time-

- (a) another company is able and willing to carry on the insurance business; and

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(b) the Minister is satisfied that the other company has the capacity to carry on the insurance business to be able to provide adequate third-party insurance cover to owners of motor vehicles in Papua New Guinea,
the Minister may, by notice in the National Gazette, nominate that other company to carry on the insurance business commencing on a specified date after the date of the notice.

“(2) On and from the date specified in the notice under Subsection (1), the nominated company shall carry on the insurance business in place of or in addition to Motor Vehicles Insurance Ltd by providing third-party insurance cover from that date and thereafter.

“(3) A nomination under Subsection (1) shall not effect the responsibility of Motor Vehicles Insurance Ltd for claims and liabilities arising in respect of the insurance business before the date specified in the notice.

“(4) The Minister may nominate under this section-

- (a) more than one company to carry on the insurance business at the same time; or
- (b) one or more companies to carry on the insurance business at the same time as Motor Vehicles Insurance Ltd.

“(5) Where, as a result of this section, there is more than one successor company, each of the successor companies shall administer a proportion of the Fund under Part VI.”.

I hereby certify that the above is a fair print of the *Motor Vehicles (Third Party Insurance) (Amendment) Act 2000* which has been made by the National Parliament.

Acting Clerk of the National Parliament.

I hereby certify that the *Motor Vehicles (Third Party Insurance) (Amendment) Act 2000* was made by the National Parliament on 5 December 2000.

Acting Speaker of the National Parliament.