

No. 13 of 1998.

Insurance (Amendment) Act 1998.

Certified on: 28.4.98

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1998.

Insurance (Amendment) Act 1998.

ARRANGEMENT OF SECTIONS.

New Part XIA.

“PART XIA. - THE INSURANCE COMMISSIONER’S FUND.

“64A. - THE INSURANCE COMMISSIONER’S FUND.

**“64B. - APPLICATION OF PUBLIC FINANCES (MANAGEMENT)
ACT 1995.**

**“64C. - CONTRIBUTIONS TO THE INSURANCE
COMMISSIONER’S FUND.**

**“64D. - EXPENDITURE FROM THE INSURANCE
COMMISSIONER’S FUND.**

“64E. - ESTIMATES OF EXPENDITURE.

“64F. - INSUFFICIENCY OF FUND”.

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1998.

AN ACT

entitled

Insurance (Amendment) Act 1998,

Being an Act to amend the *Insurance Act 1995,*

MADE by the National Parliament to be deemed to have come into operation on 2 March 1998.

NEW PART XIA.

The Principal Act is amended by inserting after Part XI the following new Part:-

“PART XIA. - THE INSURANCE COMMISSIONER’S FUND.

“64A. THE INSURANCE COMMISSIONER’S FUND.

There is hereby established the Insurance Commissioner’s Fund, into which shall be paid such moneys as are specified by this Act.

“64B. APPLICATION OF *PUBLIC FINANCES (MANAGEMENT) ACT 1995.*

Except where this Act provides to the contrary, the provisions of the *Public Finances (Management) Act 1995* relating to Trust Accounts within the meaning of that Act apply to and in relation to the Insurance Commissioner’s Fund.

“64C. CONTRIBUTIONS TO THE INSURANCE COMMISSIONER’S FUND.

(1) Each licensed insurer shall contribute annually to the Insurance Commissioner’s Fund a sum amounting to a percentage (not exceeding 1%) to be fixed by the Commissioner on the total amount of the premium income (whether received by or owing to the licensed insurer) of the licensed insurer in respect of the year ended 31 December immediately preceding.

“(2) Each licensed broker shall contribute annually to the Insurance Commissioner’s Fund a sum amounting to a percentage (not exceeding 1%) to be fixed by the Commissioner on the total amount of the commission (whether received by or owing to the licensed broker) the licensed broker on all insurance business placed both domestically and offshore, in respect of the year ending 31 December immediately preceding.

Insurance (Amendment)

- “(3) The percentage -
- (a) referred to in Subsection (1) shall be uniform for all licensed insurers; and
 - (b) referred to in Subsection (2) shall be uniform for all licensed brokers.

- “(4) The amount of any annual contribution -
- (a) to be paid during 1998, shall be paid in instalments on or before 1 July and 1 October; and
 - (b) in subsequent years shall be paid in quarterly instalments on or before 1 January, 1 April, 1 July and 1 October in each year, or on such other days as the Commissioner determines; and
 - (c) is recoverable as a debt due to the State in any court of competent jurisdiction.

“(5) A licensed insurer or licensed broker who fails to pay an instalment of the annual contribution within 30 days after the date it became payable by him, is guilty of an offence.

Penalty: A fine not exceeding K10,000.00.

“64D. EXPENDITURE FROM THE INSURANCE COMMISSIONER’S FUND.

There shall be paid out of the Insurance Commissioner’s Fund -

- (a) all moneys payable on account of the employment of the Commissioner and the staff required for the purposes of this Act; and
- (b) all moneys payable on account of the functioning and administration of the Office of the Commissioner; and
- (c) all other money required by the Commissioner for carrying out this Act.

“64E. ESTIMATES OF EXPENDITURE.

(1) The Commissioner shall, prior to 1 January in each year, prepare estimates of expenditure for that year and submit them to the Minister.

“(2) Expenditure shall not be incurred in relation to any estimates of expenditure unless and until those estimates have been approved by the Minister.

Insurance (Amendment)

“(3) Where, in any year, the amount actually contributed to the Insurance Commissioner’s Fund under Section 64C -

- (a) is less than the expenditure actually incurred in that year, the deficit shall be added to the estimated expenditure for the next succeeding year, and the rate of contribution increased proportionately; or
- (b) exceeds the expenditure actually incurred in that year, the excess shall be retained in the Insurance Commissioner’s Fund to meet contingencies.

“64F. INSUFFICIENCY OF FUND.

(1) Where -

- (a) the amount standing to the credit of the Insurance Commissioner’s Fund is, at any time, insufficient to make any payment which is required by this Act to be paid; and
- (b) the Minister responsible for financial matters certifies as to the insufficiency,

the payment shall be made from the Consolidated Revenue Fund which to the necessary extent is appropriated accordingly.

“(2) Any amount paid out of the Consolidated Revenue Fund under Subsection (1) -

- (a) is a charge on the Insurance Commissioner’s Fund; and
- (b) shall, as soon as the Minister responsible for financial matters certifies that sufficient funds are standing to the credit of the Insurance Commissioner’s Fund, be repaid from the Insurance Commissioner’s Fund to the Consolidated Revenue Fund.”.

I hereby certify that the above is a fair print of the *Insurance (Amendment) Act 1998* which has been made by the National Parliament.

Acting Clerk of the National Parliament.

I hereby certify that the *Insurance (Amendment) Act 1998* was made by the National Parliament on 17 March 1998.

Speaker of the National Parliament.

