

No. 10 of 2008.

Insurance (PNG LNG Project) (Amendment) Act 2008.

Certified on : 07.10.08



No. of 2008.

Insurance (PNG LNG Project)(Amendment) Act 2008.

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 2).
2. Repeal and Replacement of Section 17.
3. New Section 18A.

“18A LNG PROJECT INSURANCE.”

4. All Risks Situated in Papua New Guinea to be Insured with Licensed Insurers (Amendment of Section 36).



No. of 2008.

AN ACT

entitled

Insurance (PNG LNG Project) (Amendment) Act 2008.

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

MADE by the National Parliament and deemed to have come into operation on 22 May, 2008.

1. INTERPRETATION (AMENDMENT OF SECTION 2).

Section 2 of the Principal Act is amended by:-

- (a) repealing the words "In this Act unless the contrary intention appears-" and replacing them with the following:-

"(1) In this Act, unless the contrary intention appears-"; and

- (b) inserting after the definition of "member of Insurance Complaints Tribunal" the following:-

"'PNG LNG Gas Agreement' means the PNG LNG Gas Agreement dated 22 May 2008 between the Independent State of Papua New Guinea and each of Esso Highlands Limited, Esso PNG Juha Limited, Ampolex (Papua New Guinea) Limited, Ampolex (PNG Petroleum), Inc., Ampolex (Highlands) Limited, Oil Search Limited, Oil Search (PNG) Limited, Oil Search (Tumbudu) Limited, Merlin Petroleum Company, Merlin Pacific Oil Company Limited, Santos Hides Ltd, Lavana Limited, AGL Gas Developments (PNG) Pty Limited, Petroleum Resources Kutubu Limited, Petroleum Resources Gobe Limited and Eda Oil Limited, as amended, novated or replaced from time to time;"; and

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(c) adding after Subsection (1) the following new subsection:-

"(2) The following definitions that apply in the PNG LNG Gas Agreement also apply in this Act unless defined differently in this Act or the contrary intention appears –

"LNG Project";
"LNG Project Company"; and
"LNG Project Operations"."

2. REPEAL AND REPLACEMENT OF SECTION 17.

Section 17 of the Principal Act is repealed and replaced with the following:-

"17. UNLICENSED PERSONS CARRYING ON GENERAL INSURANCE BUSINESS OR ACTING AS BROKERS OR LOSS ADJUSTERS.

"(1) Subject to Subsection (2) and Sections 18A and 25, a person, other than a licensed insurer, who carries on general insurance business is guilty of an offence.

"Penalty: A fine not exceeding K100,000.00.

"(2) Subsection (1) does not apply to a person who carries on a general insurance business to the extent that the general insurance business carried on by that person involves insuring a risk (other than the risk of injury or death to an employee that would normally be insured under workers' compensation insurance) that relates to the LNG Project and/or LNG Project Operations.

"(3) Subject to Subsection (4) and Sections 18A, 19(12) and 25, a person, other than a licensed broker or licensed loss adjuster, who carries on business as a broker or as a loss adjuster is guilty of an offence.

"Penalty: A fine not exceeding K50,000.00.

"(4) Subsection (3) does not apply to: -

(a) a person who carries on business as a broker to the extent that the business carried on by that person involves arranging insurance of a risk (other than the risk of injury or death to an employee that would normally be insured under workers' compensation insurance) that relates to the LNG Project and/or LNG Project Operations; or

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- (b) a person who carries on business as a loss adjuster to the extent that the business carried on by that person relates to the investigation or determination of any liability and/or the amount of any claim to be paid in settlement of a claim under any insurance of any risk (other than the risk of injury or death to an employee that would normally be insured under workers' compensation insurance) that relates to the LNG Project and/or LNG Project Operations.

"(5) Subject to Subsection (6) and Section 18A, a person who acts as the agent of:-

- (a) an unlicensed insurer; or
- (b) an unlicensed broker; or
- (c) an unlicensed loss adjuster,

for the purpose of soliciting business or offering cover in connection with general insurance business is guilty of an offence.

"Penalty: A fine not exceeding K25,000.00.

"(6) Subsection (5) does not apply to a person who acts as the agent of a person referred to in Subsection (2) and/or (4) in relation to insurance of a risk (other than the risk of injury or death to an employee that would normally be insured under workers' compensation insurance) that relates to the LNG Project and/or LNG Project Operations."

3. NEW SECTION 18A.

The Principal Act is amended by adding after Section 18 the following new section:-

"18A. LNG PROJECT INSURANCE.

"Nothing in this Act prevents or in any way restricts: -

- (a) a LNG Project Company acquiring or obtaining insurance, including reinsurance, (other than workers' compensation insurance) from an insurer that is not a licensed insurer, or that is arranged by a broker that is not a licensed broker, in respect of any risk for which insurance may be required by a LNG Project Company in relation to the LNG Project and/or LNG Project Operations;
- (b) any insurer from which a LNG Project Company acquires or obtains any such insurance appointing a loss adjuster that is not a licensed loss adjuster to investigate or determine any liability



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- and/or the amount of any claim to be paid in settlement of a claim in respect of any such insurance; or
- (c) any such insurance being denominated in a currency other than Papua New Guinea Kina."

4. **ALL RISKS SITUATED IN PAPUA NEW GUINEA TO BE INSURED WITH LICENSED INSURERS (AMENDMENT OF SECTION 36).**

Section 36 of the Principal Act is amended by:-

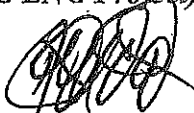
- (a) adding after Subsection (1) the following new subsection:-

"(1A) Subsection (1) does not apply to any risk for which insurance, including re-insurance, may be required by a LNG Project Company in relation to the LNG Project and/or LNG Project Operations, other than worker's compensation insurance."; and

- (b) adding after Subsection (2) the following new subsection:-

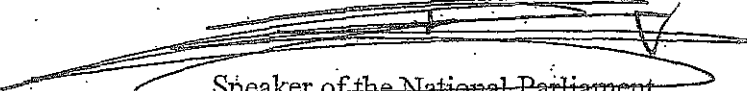
"(2A) Subsection (2) does not apply to a person who:-
(a) insures; or
(b) as agent, broker, or insurer arranges insurance of, a risk (other than the risk of injury or death to an employee that would normally be insured under workers' compensation insurance) that relates to the LNG Project and/or LNG Project Operations."

I hereby certify that the above is a fair print of the *Insurance (PNG LNG Project) (Amendment) Act 2008* which has been made by the National Parliament.


Clerk of the National Parliament.

07 OCT 2008

I certify that the *Insurance (PNG LNG Project) (Amendment) Act 2008* was made by the National Parliament on 18 September 2008.


Speaker of the National Parliament.

07 OCT 2008

