



## REPUBLIC OF VANUATU

### INSURANCE (AMENDMENT) ACT NO. 29 OF 2009

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# REPUBLIC OF VANUATU

**Assent:** 19/10/09  
**Commencement:**

## INSURANCE (AMENDMENT) ACT NO. 29 OF 2009

An Act to amend the Insurance Act No. 54 of 2005.

Be it enacted by the President and Parliament as follows:

### **1 Amendment**

The Insurance Act No. 54 of 2005 is amended as set out in the Schedule.

### **2 Commencement**

This Act commences on the day on which it is published in the Gazette.

## SCHEDULE AMENDMENTS OF THE INSURANCE ACT NO. 54 OF 2005

### 1 Section 1

Insert the following definitions in their correct alphabetical positions:

“**Board** means the Board of Directors of the Reserve Bank established under subsection 8(1) of the Reserve Bank Act [CAP 125];

**captive insurance business** means an insurance business carried on by a licensed insurer who is a company, for the purpose of predominately insuring interests :

- (a) in its parent company; or
- (b) in companies that it is affiliated or associated with; or
- (c) in companies organized within a group or agency relationship; or
- (d) in any other company as may be approved by the Reserve bank.

**captive insurer** means a licensed insurer carrying on captive insurance business.

**captive policy** means an insurance policy issued by a captive insurer.

**Governor** means the Governor of the Reserve Bank of Vanuatu appointed under subsection 8A(1) of the Reserve Bank of Vanuatu Act [CAP 125];

**insurance business** means the business of effecting and carrying out contracts:

- (a) protecting persons against loss, or liability to loss in respect of risks to which such persons may be exposed; or
- (b) to pay a sum of money or render money's worth upon the happening of an event; and

includes re-insurance business.

**insure** includes re-insure.

**life insurer** means a person licensed to carry on life insurance business.”

**2 Section 1 (definition of captive insurance company)**

Delete the definition, substitute

“**captive insurance company** means a company carrying on captive insurance business.”

**3 Section 1 (definition of Commission)**

Repeal the definition.

**4 Section 1 (definition of domestic business)**

Delete the definition, substitute

“**domestic business** means an insurance business which , whether the contract of insurance is made in Vanuatu or elsewhere, the subject matter of the contract is:

- (a) property that at the time of the making of the contract is in, or in transit to or from Vanuatu; or
- (b) the life, safety, fidelity or insurable interest of an individual who at the time of the making of the contract is ordinarily resident in Vanuatu; or
- (c) a risk of a company formed in Vanuatu that is not an exempted company within the meaning of the Companies Act [CAP 191].”

**5 Section 1 (definition of external insurer)**

Delete “provides insurance services” substitute “is licensed to carry on insurance business”

**6 Section 1 (definition of insurer)**

Delete the definition, substitute

“**insurer** means a person carrying on insurance business.”

**7 Section 1 (definition of local insurer)**

Delete “providing insurance services” substitute “carrying on insurance business”

**8 Section 1 (definition of protected cell company)**

After “Act”, insert “No. 37 of 2005”

**9 Subsection 5(1)**

After “Commission”(first occurring) insert “for a licence under this Act”

**10 Subsection 5(2)**

Delete “and signed by the Commissioner”

**11 Paragraph 14(5)(c)**

Delete “.” substitute “; and”

**12 After paragraph 14(5)(c)**

Add

“(d) details of ownership and business plan for authorization of each cell in the company must be approved by the Board.”

**13 Section 16 (heading)**

After “agent” insert “, insurance manager”

**14 Subsection 16(4)**

After “agent,” insert “insurance manager,”

**15 Subsection 24(1)**

After “insurer” insert “other than a captive insurer approved by the Board”

**16 Subsection 31(1)**

Delete “set out in subsection (2) or the higher amount”

**17 Subsection 31(2)**

Repeal the subsection.

**18 After subsection 31(3)**

Add

“(4) The capital may be in the currency of the country where the risk is located.”

**19 Paragraphs 44(1)(a) and (c)**

After “insurer” insert “, insurance manager”

**20 Section 74(heading)**

After “premiums” add “under life policy”

**21 Subsection 74(1)**

Delete “an insurance”, substitute “a life”

**22 Subsection 74(2)**

After “which a” insert “life “

**23 Subsection 74 (4)**

Delete “an insurance”, substitute “a life”

**24 After section 74**

Insert

**“74A Failure to pay premium under general insurance policy**

- (1) if a premium under a general insurance policy, other than a reinsurance policy or a captive policy, has not been paid on its due date, the cover under the policy lapses :
  - (a) if the premium is payable on an annual basis or the policy period is longer than 12 months -30 days after the inception or as the case may be, the renewal, of the policy; and
  - (b) if the premium is payable by installments at intervals of less than 12 months- 15days after the installment due date.
- (2) If a cover under an insurance policy lapses under subsection (1), the insurer may reinstate the policy upon payment of all the premium due.”

**25 Subsection 75(2)**

Repeal the subsection.

**26 Subsection 97(2)**

Delete “10 percent of the licence fee” substitute “VT 1,000”

**27 After section 105**

Insert

**“105A Transitional provision for certain persons employed by the Vanuatu Financial Services Commission**

- (1) This section applies to a person who was employed at the Vanuatu Financial Services Commission as an officer in the insurance division of the supervision department of the Commission, immediately before the commencement of this Act.
- (2) The person’s employment with the Commission is terminated on the commencement of this Act and the person is entitled to receive a redundancy payment in accordance with paragraph 14.15 of the staff manual of the Commission, as if the person’s termination were a termination under that paragraph.

- (3) On and after the commencement of this Act, the person is taken to be an employee of the Reserve Bank of Vanuatu on such terms and conditions as may be prescribed by the Governor of the Reserve Bank of Vanuatu.
- (4) In this section **Vanuatu Financial Services Commission** means the Vanuatu Financial Services Commission established under section 2 of the Vanuatu Financial Services Commission Act [CAP 229].”

**28 Insurance Act No. 54 of 2005**

- (a) Delete “Commission” (wherever occurring) substitute “Board”;
- (b) Delete “Commissioner” (wherever occurring) substitute “Governor”