

HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Friday, 14 June 1985

INSURANCE LAW REFORM BILL (NO. 2)

Proposed Amendments

Hon. GEOFFREY PALMER, in Committee, to move the following amendments:

Clause 3: To omit the new subsection (1A) of section 41A (all the words in lines 28 to 40 on page 2 and in lines 1 to 10 on page 3), and substitute the following subsection:

(1A) Notwithstanding anything in **subsection (1)** of this section, where—

“(a) Any money becomes payable by a company under a policy as a result of the death, on or after the **1st day of April 1986**, of the person on whose life the policy was effected; and

“(b) The whole or part of the money that so becomes payable—

“(i) Is related to the value of identifiable assets of a fund named in the policy; and

“(ii) Is required by the policy to be calculated as at a date later than the date of death,—

nothing in that subsection shall require the company to pay interest on the money so related and so required to be calculated (in this section called the ‘assets related money’) but if, after the claim requirements have been satisfied, the assets related money is not paid, within 14 days after the earliest possible date on which it could have been paid, to the person entitled to the assets related money, the company shall, in addition to the assets related money and at the same time as the assets related money is paid to that person, pay to that person interest on the assets related money in respect of the period beginning on the 15th day after that earliest possible date and ending with the close of the day on which the assets related money is paid to that person.

EXPLANATORY NOTE

This Supplementary Order Paper revises the provision related to the payment of interest on assets related life policies. As reported from the Commerce and Energy Committee the new subsection (1A) of section 41A covered the case where part of the money payable under a life policy is assets related.

In the form now proposed the subsection will cover both the case where part of the money payable is assets related and the case where the whole of the money payable is assets related.
