

No. 10 of 2019.

Insurance (Papua LNG Project)(Amendment) Act 2019.

Certified on **23 DEC 2019**



No. 10 of 2019.

Insurance (Papua LNG Project)(Amendment) Act 2019.

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 2).
 - “Papua LNG Project”
 - “Papua LNG Project Contractor”
 - “Papua LNG Project Entity”
 - “Papua LNG Project Gas Agreement”
 - “Papua LNG Project Operations”.

2. Repeal and replacement of Section 17.
3. New Section 18B.

“18B. PAPUA LNG PROJECT INSURANCE.”.

4. All risks situated in Papua New Guinea to be insured with licensed insurers (Amendment of Section 36).



No. 10 of 2019.

AN ACT

entitled

Insurance (Papua LNG Project)(Amendment) Act 2019,

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

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with, the advice of the Minister.

1. INTERPRETATION (AMENDMENT OF SECTION 2).

Section 2 of the Principal Act is amended by inserting the following new definitions:

““Papua LNG Project” has the meaning given to Project in the Papua LNG Project Gas Agreement;

“Papua LNG Project Contractor” has the meaning given to Project Contractor in the Papua LNG Project Gas Agreement;

“Papua LNG Project Entity” has the meaning given to Project Entity in the Papua LNG Project Gas Agreement;

“Papua LNG Project Gas Agreement” means the Papua LNG Project Gas Agreement dated April 9, 2019 between the Independent State of Papua New Guinea, Total E & P PNG Limited, ExxonMobil PNG Antelope Limited, ExxonMobil PNG Elk Limited, PAC LNG Assets Limited, PAC LNG International Limited, PAC LNG Investments Limited, PAC LNG Overseas Limited and PAC LNG Holdings Limited, as amended, novated or replaced from time to time;

“Papua LNG Project Operations” has the meaning given to Project Operations in the Papua LNG Project Gas Agreement.”.

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Section 17 of the Principal Act is repealed and replaced with the following: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 Subsections (2) and (3), and Sections 18A, 18B 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.

Insurance (Papua LNG Project)(Amendment)

(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 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) 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 Papua LNG Project and/or Papua LNG Project Operations.

(4) Subject to Subsections (5) and (6), and Sections 18A, 18B, 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.

(5) Subsection (4) 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 Papua LNG Project and/or Papua LNG Project Operations; and
- (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 Papua LNG Project Operations.

(6) 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 Papua LNG Project and/or Papua LNG Project Operations; and
- (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 Papua LNG Project and/or Papua LNG Project Operations.

(7) Subject to Subsections (6) and (7), and Sections 18A and 18B, a person who acts as the agent of -

Insurance (Papua LNG Project)(Amendment)

- (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.

(8) Subsection (6) does not apply to a person who acts as the agent of a person referred to in Subsection (2) and/or (5) 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 Papua LNG Project and/or Papua LNG Project Operations.

(9) Subsection (6) does not apply to a person who acts as the agent of a person referred to in Subsection (3) and/or (6) 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 Papua LNG Project and/or Papua LNG Project Operations.”.

3. NEW SECTION 18B.

The Principal Act is amended by inserting after Section 18A the following new section:

“18B. PAPUA LNG PROJECT INSURANCE.

Nothing in this Act prevents or in any way restricts -

- (a) a Papua LNG Project Entity or Papua LNG Project Contractor acquiring or obtaining insurance, including re-insurance (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 Papua LNG Project Entity or Papua LNG Project Contractor in relation to the Papua LNG Project and/or Papua LNG Project Operations; and
- (b) an insurer, from which a Papua LNG Project Entity or Papua LNG Project Contractor acquires or obtains any such insurance, from appointing a loss adjuster that is not a licensed loss adjuster to investigate or determine any liability and/or the amount of any claim to be paid in settlement of a claim in respect of any such insurance; and
- (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 inserting after Subsection (2A), the following new subsections:

Insurance (Papua LNG Project)(Amendment)

“(3) Subsection (1) does not apply to any risk for which insurance, including re-insurance, may be required by a Papua LNG Project Entity or Papua LNG Project Contractor in relation to the Papua LNG Project and/or Papua LNG Project Operations, other than workers’ compensation insurance.

(4) 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 Papua LNG Project and/or Papua LNG Project Operations.”.

I hereby certify that the above is a fair print of the ***Insurance (Papua LNG Project)(Amendment) Act 2019***, which has been made by the National Parliament.



Acting Clerk of the National Parliament.

23 DEC 2019

I hereby certify that the ***Insurance (Papua LNG Project)(Amendment) Act 2019***, was made by the National Parliament on 16 October 2019.



Acting Speaker of the National Parliament.

23 DEC 2019