



BERMUDA

LIFE INSURANCE ACT 1978

1978 : 25

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[preamble and words of enactment omitted]

Interpretation

1 In this Act, except where the context otherwise requires—

“accident insurance” means insurance by which the insurer undertakes, otherwise than incidentally to some other class of insurance, to pay insurance money in the event of accident to the person insured but does not include insurance by which the insurer undertakes to pay insurance money both in the event of death by accident and in the event of death from any other cause;

“accidental death insurance” means insurance undertaken by an insurer as part of a contract of life insurance whereby the insurer undertakes to pay an additional amount of insurance money in the event of death by accident of the person whose life is insured;

“application” means an application for insurance or for the reinstatement of insurance;

“beneficiary” means a person, other than the insured or his estate representative, to whom or for whose benefit insurance money is made payable in a contract or by a declaration;

“contract” means a contract of life insurance,

“Court” means the Supreme Court;

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“creditor’s group insurance” means insurance effected by a creditor in respect of the lives of his debtors whereby the lives of the debtors are insured severally under a single contract;

“declaration” means an instrument signed by the insured—

- (i) with respect to which an endorsement is made on the policy; or
- (ii) that identifies the contract; or
- (iii) that describes the insurance, insurance fund, insurance money or a part thereof,

in which he designates, or alters or revokes the designation of, his personal representative or a beneficiary as one to whom or for whose benefit insurance money is to be payable;

“disability insurance” means insurance undertaken by an insurer as part of a contract of life insurance whereby the insurer undertakes to pay insurance money or to provide other benefits in the event that the person whose life is insured becomes disabled as a result of bodily injury or disease;

“family insurance” means insurance whereby the lives of the insured and one or more persons related to him by blood, marriage or adoption and insured under a simple contract between an insurer and an insured;

“fraternal society” means a society, order or association incorporated for the purpose of making with its members only, and not for profit, contracts of life, accident or sickness insurance in accordance with its constitution, bye-laws and rules and any applicable statutory provision;

“group insurance” means insurance, other than creditor’s group insurance and family insurance, whereby the lives of a number of persons are insured severally under a single contract between an insurer and an employer or other person;

“group life insured” means a person whose life is insured by a contract of group insurance but does not include a person whose life is insured under the contract as a person dependent upon, or related to, him;

“insurance money” means the amount payable by an insurer under a contract, and includes all benefits, surplus, profits, dividends, bonuses, and annuities payable under the contract;

“insured”—

- (i) except as provided in paragraph (ii) means the person who makes a contract with an insurer; and
- (ii) in the case of group insurance when the right of the group lives insured to designate persons to receive insurance money is not removed or restricted means in relation to the designation of beneficiaries or other person to receive insurance money or in relation to the status of beneficiaries, the group life insured;

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“insurer” means the person who undertakes or agrees or offers to undertake a contract;

“life insurance” means insurance whereby an insurer undertakes to pay insurance money,—

- (i) on death; or
- (ii) on the happening of an event or contingency dependent on human life; or
- (iii) at a fixed or determinable future time; or
- (iv) for a term dependent on human life,

and, without restricting the generality of the foregoing, includes accidental death insurance but not accident insurance;

“will” includes codicil.

Application

2 (1) This Act applies—

- (a) only to contracts made after its commencement; and
- (b) to all contracts made in Bermuda (unless the parties agree that some other law shall apply) and contracts which, by their terms, are expressed to be governed by Bermuda law.

(2) Where the person who would have been entitled to the payment of insurance money, if the money had become payable immediately prior to 13 June 1978 was the object of a trust within the meaning of section 15 of the Married Women’s Property Act 1901, as it existed immediately prior to that day, that person shall be deemed to have been designated a beneficiary irrevocably, and the insured may not, except in accordance with this Act—

- (a) alter or revoke the designation of that beneficiary; or
- (b) assign, exercise rights under or in respect of, surrender or otherwise deal with the contract,

but this subsection does not apply after the time at which the insurance money becomes payable wholly to a person other than a person deemed to be designated a beneficiary irrevocably.

[Section 2 subsection (1)(b) repealed and substituted by 2014 : 18 s. 2 effective 24 June 2014]

Insurer to issue policy

3 (1) An insurer entering into a contract shall issue a policy.

(2) Subject to subsection (3), the provisions in—

- (a) the application;
- (b) the policy;

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- (c) any document attached to the policy when issued;
- (d) any amendment to the contract agreed upon in writing after the policy is issued; and
- (e) in the case of group insurance and creditor's group insurance any information in writing material to the insurance that is furnished to the insurer pursuant to the policy or the application,

shall constitute the entire contract.

(3) In the case of a contract made by a fraternal society, the policy, the Act or instrument of incorporation of the society, its constitution, bye-laws and rules, and the amendments made from time to time to any of them, the application for the contract and the medical statement of the applicant shall constitute the entire contract.

(4) An insurer shall, upon request, furnish to the insured or to a claimant under the contract a copy of the application.

Contents of policy

- 4 (1) This section does not apply to a contract—
- (a) of group insurance; or
 - (b) of creditor's group insurance; or
 - (c) made by a fraternal society.
- (2) An insurer shall set forth the following particulars the policy:
- (1) The name or a sufficient description of the insured and of the person whose life is insured.
 - (2) The amount, or the method of determining the amount, of the insurance money payable, and the conditions under which it becomes payable.
 - (3) The amount, or the method of determining the amount of the premium and the period of grace, if any, within which it may be paid.
 - (4) Whether the contract provides for participation in a distribution of surplus or profits that may be declared by the insurer.
 - (5) The conditions upon which the contract may be reinstated if it lapses.
 - (6) The options, if any—
 - (a) of surrendering the contract for cash;
 - (b) of obtaining a loan or an advance payment of the insurance money; and
 - (c) of obtaining paid-up or extended insurance.

Contents of group policy

5 In the case of a contract of group insurance or of creditor's group insurance, an insurer shall set forth the following particulars in the policy:

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- (1) The name or a sufficient description of the insured.
- (2) The method of determining the persons whose lives are insured.
- (3) The amount, or the method of determining the amount, of the insurance money payable, and the conditions under which it becomes payable.
- (4) Any removal or restriction of the right of the group lives insured to designate a beneficiary and where such restrictions exist, a description of the persons eligible to receive the money.
- (5) The period of grace, if any, within which the premium may be paid.
- (6) Whether the contract provides for participation in a distribution of surplus or profits that may be declared by the insurer.

Contents of group certificate

6 In the case of a contract of group insurance, an insurer shall issue, for delivery by the insured to each group life insured, a certificate or other document in which are set forth the following particulars:

- (1) The name of the insurer and an identification of the contract.
- (2) The amount, or the method of determining the amount, of insurance on the group life insured and on any person whose life is insured under the contract dependent upon, or related to, him.
- (3) The circumstances in which the insurance terminates and the rights, if any, upon such termination, of the group life insured or of any person whose life is insured under the contract as a person dependent upon, or related to, him.

Insurable interest

7 (1) Subject to subsection (2), where at the time a contract would otherwise take effect the insured has no insurable interest in the person whose life is insured the contract is void.

(2) A contract is not void for lack of insurable interest—

- (a) if it is a contract of group insurance; or
- (b) if the person whose life is insured has consented in writing to the insurance being placed on his life.

(3) Where the person whose life is insured is under the age of sixteen years, consent to insurance being placed on his life may be given by one of his parents or by a person standing in loco parentis to him.

Insurable interest; definition

8 Without restricting the meaning of “insurable interest”, a person has an insurable interest in his own life and in the life of—

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- (a) a child or grandchild;
- (b) his spouse or a parent;
- (c) any person upon whom he is wholly or in part dependent, for, or from whom he is receiving support or education;
- (d) his employee; and
- (e) any person in the duration of whose life he has a pecuniary interest.

[Section 8 para (a) amended by 2002:36 Sch para 11 effective 19 January 2004]

Contract taking effect

9 (1) Subject to any provision to the contrary in the application or the policy, a contract does not take effect unless—

- (a) the policy is delivered to an insured, his assign or agent, or to a beneficiary; or
- (b) payment of the first premium is made to the insurer or its authorized agent; and
- (c) no change has taken place in the insurability of the life to be insured between the time the application was completed and the time the policy was delivered.

(2) Where a policy is issued on the terms applied for and is delivered to an agent of the insurer for unconditional delivery to a person referred to in subsection (1)(a), it shall be deemed, but not to the prejudice of the insured, to have been delivered to the insured.

Default in paying premium

10 (1) Where a cheque or other bill of exchange, or a promissory note or other written promise to pay, is given for the whole or part of a premium and payment is not made according to its tenor, the premium or part thereof shall be deemed not to have been paid.

(2) Where a remittance for or on account of a premium is sent in a registered letter to an insurer and is received by him, the remittance shall be deemed to have been received at the time of the registration of the letter.

Payment of premiums

11 (1) Except in the case of group insurance, an assignee of a contract, a beneficiary or a person acting on behalf of one of them or of the insured may pay any premium that the insured is entitled to pay.

(2) Where a premium, other than the initial premium, is not paid at the time it is due, the premium may be paid within a period of grace of—

- (a) twenty-eight days from and excluding the day on which the premium is due; or

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- (b) the number of days, if any, specified in the contract for payment of an overdue premium,

whichever is the longer period.

(3) Where the happening of the event upon which the insurance money becomes payable occurs on the due date or during the period of grace and before the overdue premium is paid, the contract shall be deemed to be in effect as if the premium had been paid at the time it was due, but except in the case of group insurance or creditor's group insurance the amount of the premium, together with interest, if any, at the rate specified in the contract, but not exceeding the statutory rate as fixed by the Interest and Credit Charges (Regulation) Act 1975 [*title 17 item 22*], and any instalments of premium payable for the balance of the current policy year may be deducted from the insurance money.

Duty to disclose

12 (1) An applicant for insurance, a person whose life is to be insured and a person who consents to the insurance shall each disclose to the insurer in the application, on a medical examination, if any, and in any written statements or answers furnished as evidence of insurability, every fact which within his knowledge and belief is material to the insurance and is not so disclosed by any of the others.

(2) Subject to section 13, a failure to disclose, or a misrepresentation of, such a fact renders the contract voidable by the insurer.

Incontestability

13 (1) This section does not apply to a mis-statement of age.

(2) Subject to subsections (3) and (4), where a contract has been in effect for two years during the lifetime of the person whose life is insured, a failure to disclose or a misrepresentation of a fact required to be disclosed by section 12 does not, in the absence of fraud, render the contract voidable.

(3) In the case of a contract of group insurance or creditor's group insurance, a failure to disclose or a mis-representation of such a fact in respect of a person whose life is insured under the contract does not render the contract voidable, but, if evidence of insurability is specifically requested by the insurer, the insurance in respect of that person is voidable by the insurer unless it has been in effect for two years during the lifetime of that person, in which event it is not, in absence of fraud, voidable.

(4) In the case of disability insurance, when a claim arises from a disability beginning before a contract, including renewals thereof, has been in force for two years with respect to the person in respect of whom the claim is made, subsection (2) does not apply to that claim.

Pre-existing conditions

14 Where a contract contains a general exception or reduction relating to disability insurance with respect to pre-existing disease or physical conditions and the person in respect of whom the disability insurance exists suffers or has suffered from a disease or physical condition that existed before the date the disability insurance came into force with

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respect to that person and the disease or physical condition is not by name or specific description excluded from the insurance respecting that person—

- (a) the prior existence of the disease or physical condition is not except in the case of fraud, available as a defence against liability in whole or in part for a loss incurred or a disability beginning after the disability insurance including renewals thereof, has been in force continuously with respect to that person for two years prior to the date of the loss incurred or the commencement of the disability; and
- (b) the existence of the disease or physical condition is not, except in the case of fraud, available as a defence against liability in whole or in part if the disease or physical condition was disclosed in the application for the disability insurance.

Non-disclosure by insurer

15 Where an insurer fails to disclose or misrepresents a fact material to the contract, the contract is voidable by the insured, but, in the absence of fraud, the contract is not by reason of such failure or mis-representation voidable after the contract has been in effect for two years.

Age of insured

16 (1) This section does not apply to a contract of group insurance or of creditor's group insurance.

(2) Subject to subsection (3), where the age of a person whose life is insured is mis-stated to the insurer, the insurance money provided by the contract shall be increased or decreased to the amount that would have been provided for the same premium at the correct age.

(3) Where a contract limits the insurable age and the correct age of the person whose life is insured at the date of the application exceeds the age so limited, the contract is, during the lifetime of that person but not later than five years from the date the contract takes effect, voidable by the insurer within sixty days after the insurer discovers the error.

Mis-statement of age in group insurance

17 In the case of a contract of group insurance or of creditor's group insurance, a mis-statement to the insurer of the age of a person whose life is insured does not of itself render the contract voidable, and the provisions, if any, of the contract with respect to age or mis-statement of age apply.

Effect of suicide

18 (1) Where a contract contains an undertaking, express or implied, that insurance money will be paid if a person whose life is insured commits suicide, the undertaking is lawful and enforceable.

(2) Where a contract provides that in case a person whose life is insured commits suicide within a certain period of time the contract is void or the amount payable under it

is reduced, if the contract lapses and is subsequently reinstated on one or more occasions, the period of time commences to run from the date of the latest reinstatement.

Reinstatement

19 (1) This section does not apply to a contract of group insurance or of creditor's group insurance or to a contract made by a fraternal society.

(2) Where a contract lapses and the insured within two years applies for reinstatement of the contract, if within that time he—

- (a) pays the overdue premiums and other indebtedness under the contract to the insurer, together with interest at the rate specified in the contract, but not exceeding the statutory rate as fixed by the Interest and Credit Charges (Regulation) Act 1975 [*title 17 item 22*], compounded annually; and
- (b) produces—
 - (i) evidence which satisfies the insurer as to the good health; and
 - (ii) other evidence which satisfies the insurer as to other aspects of the insurability,of the person whose life was insured,

the insurer shall reinstate the contract.

(3) Subsection (2) does not apply where the cash surrender value has been paid or an option of taking paid-up or extended insurance has been exercised.

(4) Sections 12, 13, 14 and 15 shall apply *mutatis mutandis* to a failure at the time of reinstatement of a contract to disclose, or a mis-representation at that time, and the period of two years to which reference is made in sections 13, 14 and 15 shall commence to run in respect of a reinstatement from the date of the reinstatement:

Provided that the contract shall be voidable on account of fraud at any time before or after reinstatement.

Designation of beneficiary

20 (1) Subject to subsection (4) an insured may in a contract or by a declaration filed with the insurer designate himself, his estate representative or a beneficiary to receive insurance money.

(2) Subject to section 21, the insured may from time to time alter or revoke the designation by a declaration filed with the insurer.

(3) A designation in favour of "heirs", "next of kin" or "estate", or the use of words of like import in a designation, shall be deemed to be a designation of the estate representative of the insured.

(4) A provision in a group insurance policy which removes or restricts the right of a group life insured to make a designation is valid.

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(5) When a beneficiary is designated by the insured as “wife” or “husband” then the designation shall mean the wife or husband, as the case may be, at the time of the happening of the event upon which the insurance money becomes payable.

(6) When a beneficiary is designated by the insured as a “wife” or “husband” and is further identified by name then the designation shall mean that particular person whether or not that person is still the wife or husband at the time of the happening of the event upon which the insurance money becomes payable.

(7) When a beneficiary is designated by the insured as a child and is further identified by name then the designation shall mean that particular child.

Designation of beneficiary irrevocably

21 (1) An insured may in a contract, or by a declaration other than a declaration that is part of a will, filed with the insurer during the lifetime of the person whose life is insured designate by name a beneficiary irrevocably and in that event during the lifetime of the beneficiary, while the designation is in effect, may not alter or revoke the designation without the consent of the beneficiary and the interest of the beneficiary in the insurance money is not subject to the control of the insured or of his creditors and does not form part of the estate of the insured.

(2) Where the insured purports to designate a beneficiary irrevocably in a will or in a declaration that is not filed as provided in subsection (1), the designation has the same effect as if the insured had not purported to make it irrevocable.

Designation in invalid will

22 (1) A designation in an instrument purporting to be a will is not ineffective by reason only of the fact that the instrument is invalid as a will or that the designation is invalid as a bequest under the will.

(2) A designation in a will is of no effect against a designation made later than the making of the will.

(3) Where a designation is contained in a will, if subsequently the will is revoked by operation of law or otherwise, the designation is thereby revoked.

(4) Where a designation is contained in an instrument that purports to be a will, if subsequently the instrument is valid as a will would be revoked by operation of law or otherwise, the designation is thereby revoked.

Trustee for beneficiary

23 (1) An insured may notwithstanding section 21 (1) in a contract or by a declaration appoint a trustee for a beneficiary and may alter or revoke the appointment by a declaration.

(2) A payment made by an insurer to a trustee for a beneficiary discharges the insurer to the extent of the payment.

Beneficiary predeceasing life insured

24 (1) Where a beneficiary predeceases the person whose life is insured, and no disposition of the share of the deceased beneficiary in the insurance money is provided in the contract or by a declaration, the share is payable—

- (a) to the surviving beneficiary; or
- (b) if there is more than one surviving beneficiary, to the surviving beneficiaries in equal shares; or
- (c) if there is no surviving beneficiary, to the insured or his estate representative.

(2) Where two or more beneficiaries are designated otherwise than alternatively, but no division of the insurance money is made, the insurance money is payable to them in equal shares.

Right to sue

25 A beneficiary may enforce in his own name, and a trustee appointed pursuant to section 23 may enforce as trustee, the payment of insurance money made payable to him in the contract or by a declaration and in accordance with the provisions thereof, but the insurer may set up any defence that it could have set up against the insured or his estate representative.

Insurance money free from creditors

26 (1) Where a beneficiary is designated, the insurance money, from the time of the happening of the event upon which the insurance money becomes payable, is not part of the estate of the insured and is not subject to the claims of the creditors of the insured.

(2) While a designation in favour of a child or grandchild as defined in section 8 or a spouse or parent of a person whose life is insured, or any of them, is in effect, the rights and interests of the insured in the insurance money and in the contract are exempt from execution or seizure.

Insured dealing with contract

27 Notwithstanding the designation of a beneficiary the insured may assign, exercise rights under or in respect of, surrender or otherwise deal with the contract as provided therein or as provided in this Act or as may be agreed with the insurer; but not so as to affect the rights of a beneficiary designated irrevocably unless the beneficiary has reached the age of majority and has consented.

Insured entitled to dividends

28 (1) Notwithstanding the designation of a beneficiary irrevocably, the insured is entitled during the lifetime of the person whose life is insured to the dividends or bonuses declared on a contract and to the premiums paid in advance thereon unless the contract otherwise provides.

(2) Unless the insured otherwise directs, the insurer may apply the dividends or bonuses declared on the contract for the purpose of keeping the contract in force.

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(3) Subject to the contract and to any direction by the insured to the contrary, dividends, bonuses and premiums paid in advance but unused held to the credit of the insured shall, upon the happening of the event upon which the insurance money becomes payable, be added to and form part of the insurance money then payable.

Transfer of ownership

29 (1) Where in a contract or in an agreement in writing between an insurer and an insured it is provided that a person named in the contract or in the agreement has, upon the death of the insured, the rights and interests of the insured in the contract—

- (a) the rights and interests of the insured in the contract do not, upon the death of the insured, form part of his estate; and
- (b) upon the death of the insured, the person named in the contract or in the agreement has the rights and interests given to the insured by the contract and by this Act and shall be deemed to be the insured.

(2) Where the contract or agreement provides that two or more persons named in the contract or in the agreement shall, upon the death of the insured, have successively, on the death of each of them, the rights and interests of the insured in the contract, this section applies successively, *mutatis mutandis*, to each of such persons and to his rights and interests in the contract.

(3) Notwithstanding any nomination made pursuant to this section, the insured may, prior to his death, assign, exercise rights under or in respect of, surrender or otherwise deal with the contracts as if the nomination had not been made, and may alter or revoke the nomination by agreement in writing with the insurer.

Assignment of contract

30 (1) Where an assignee of a contract gives notice in writing of the assignment to the insurer, he has priority of interest as against—

- (a) any assignee other than one who gave notice earlier in like manner; and
- (b) a beneficiary other than one designated irrevocably as provided in section 21 prior to the time the assignee gave notice to the insurer of the assignment in the manner prescribed in this subsection.

(2) Where a contract is assigned as security, rights under the contract are affected only to the extent necessary to give effect to the rights and interests of the assignee.

(3) Where a contract is assigned unconditionally and otherwise than as security, the assignee has all the rights and interests given to the insured by the contract and by this Act and shall be deemed to be the insured and any subsisting designation of a beneficiary not made irrevocably is revoked.

Contract may be unassignable

31 A provision in a contract to the effect that the rights or interests of the insured, or, in the case of group insurance, the group life insured, are not assignable is valid.

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Rights of group life insured normally assignable

32 Subject to section 31 the rights and interests of a group life insured given to him under a contract or under this Act are assignable and if they are assigned unconditionally and otherwise than as security the assignee shall be deemed to be the group life insured and any subsisting designation of a beneficiary not made irrevocably is revoked.

Group life insured enforcing rights

33 A group life insured may enforce in his own name and for his own benefit a right given to him under a contract, subject to any defence available to the insurer against him or against the insured.

Proof of claim and place of payment

34 (1) When an insurer receives sufficient evidence of the happening of the event upon which the insurance money becomes payable and of—

- (a) the cause and circumstances upon which insurance money becomes payable;
- (b) the age of the person whose life is insured;
- (c) the right of the claimant to receive payment; and
- (d) the name and age of the beneficiary, if there is a beneficiary,

he shall, within thirty days after receiving the evidence and proof, pay the insurance money to the person entitled thereto.

(2) Insurance money is payable in Bermuda unless the contract otherwise provides.

Premiums paid with intent to defraud

35 Notwithstanding any other provision of this Act if it can be shown that a contract was effected and the premiums paid with intent to defraud creditors of the insured, they shall be entitled to receive, out of the money payable under the contract a sum equal to the premiums paid.

Limitation of action

36 (1) Subject to subsection (2), an action or proceeding against an insurer for the recovery of insurance money shall not be commenced more than one year after the payment of the insurance money has been refused by the insurer or more than six years after the happening of the event upon which the insurance money becomes payable, whichever period first expires.

(2) Where a declaration has been made under section 39, an action or proceeding to which reference is made in subsection (1) shall not be commenced more than one year after the date of the declaration.

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Documents affecting title

37 (1) Until an insurer receives an instrument including a will or an order of a court affecting the right to receive insurance money, or a copy receivable in evidence in court of any such instrument or order, it may make payment of the insurance money and shall be as fully discharged to the extent of the amount paid as if there were no such instrument or order.

(2) Subsection (1) does not affect the rights or interests of any person other than the insurer.

Declaration as to sufficiency of proof

38 Where an insurer admits the validity of the insurance but there is a question respecting the evidence or proof required by section 34 and no other question is in issue except a question under section 39, the insurer or the claimant may, before or after action is brought and upon at least thirty days notice, apply to the Court for a declaration as to the adequacy of the evidence or proof furnished, and the Court may make the declaration or may direct what further evidence or proof shall be furnished and on the furnishing thereof may make the declaration or, in special circumstances, may dispense with further evidence or proof.

Declaration as to presumption of death

39 Where a claimant alleges that the person whose life is insured should be presumed to be dead by reason of his not having been heard of for seven years and there is no other question in issue except a question under section 38, the insurer or the claimant may, before or after action is brought and upon at least thirty days notice, apply to the Court for a declaration as to presumption of the death and the court may make the declaration.

Power of court

40 Where the court finds that the evidence furnished under section 34 is not sufficient or that a presumption of death is not established, it may order that the matters in issue be decided in an action brought or to be brought, or may make such other order as it deems just respecting further evidence to be furnished by the claimant, publication of advertisements, further inquiry or any other matter or respecting costs.

Court may make order

41 (1) Upon making a declaration under section 38 or 39, the Court may make such order respecting the payment of the insurance money as it deems just and an order made under this subsection is binding upon the applicant and upon all persons to whom notice of the application has been given.

(2) A payment made under an order made under subsection (1) discharges the insurer to the extent of the amount paid.

Stay of proceedings

42 Unless the Court otherwise orders, an application made under section 38 or 39 operates as a stay of any pending action with respect to the insurance money.

Payment into court

43 (1) Where an insurer does not within thirty days after receipt of the evidence and proof required by section 35 pay the insurance money to some person competent to receive it or into court, the Court may, upon application of any person, order that the insurance money or any part thereof be paid into court, or may make such other order as to the distribution of the money as it deems just.

(2) When an insurer admits liability for insurance money and he is unable to obtain an adequate and sufficient discharge because—

- (a) there are adverse claimants; or
- (b) the whereabouts of a person entitled is unknown; or
- (c) there is no person capable of giving and authorized to give a valid discharge therefor, who is willing to do so,

the insurer may pay the insurance money into court at any time after thirty days from the date of the happening of the event upon which the insurance money becomes payable.

(3) A receipt from the Court shall be sufficient discharge to the insurer for the money paid into court under subsection (1) and (2).

(4) When money is paid into court under this Act it shall, subject to rules of court, be dealt with according to the orders of the Court.

(5) Subject to rules of court the Court may on the application of any interested person make such order as to distribution of money paid into court under this Act as it thinks just.

(6) Rules of court made under this Act shall not be subject to Parliamentary scrutiny under section 6 of the Statutory Instruments Act 1977

Insurance money payable in instalments

44 (1) Subject to subsections (2) and (3), where insurance money is payable in instalments and a contract, or an instrument signed by the insured and delivered to the insurer, provides that a beneficiary has not the right to commute the instalments or to alienate or assign his interest therein, the insurer shall not, unless the insured subsequently directs otherwise in writing, commute the instalments or pay them to any person other than the beneficiary, and the instalments are not, in the hands of the insurer, subject to any legal process except an action to recover the value of necessaries supplied to the beneficiary or his minor children.

(2) Subject to subsection (3) the Court may from time to time upon the application of the beneficiary and upon at least ten days notice, declare that in view of special circumstances, the beneficiary shall have the right to—

- (a) commute instalments of insurance money and when a basis for commutation is not provided in the contract and the applicant and the insurer are unable to agree upon a basis, it shall be fixed by the Court having regard to all the material circumstances;

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(b) alienate or assign his interest in the insurance money.

(3) Subsection (2)(a) shall not apply to payments under an annuity contract or under a group insurance contract in which the right of the group lives insured to designate persons to receive the insurance money is removed or restricted and the insurance money is payable to the persons described therein.

(4) After the death of the beneficiary subsection (1) shall not apply.

(5) In this section, "instalments" includes insurance money held by the insurer under section 45.

Insurer holding insurance money

45 (1) An insurer may hold insurance money—

- (a) subject to the order of an insured or the person to whom it is payable; or
- (b) upon trusts or other agreements for the benefit of the insured or the person to whom it is payable, as provided in the contract, by an agreement in writing to which it is a party, or by a declaration, with interest at a rate agreed upon therein or, where no rate is agreed upon, at the rate declared from time to time by the insurer in respect of insurance money so held by the insurer.

(2) The insurer is not bound to hold insurance money as provided in subsection (1) under the terms of a declaration to which the insurer has not agreed in writing.

Power of court to award compensation

46 When in any proceedings the Court grants specific performance of any contract or any other relief to an insurer, an insured, a beneficiary or any person acting on their behalf it may in addition award that party compensation for any loss he has sustained by reason of any breach of the provisions of this Act against whom the order of specific performance or other relief has been granted or awarded.

Saving

47 (1) Nothing in this Act shall apply to any superannuation or pension scheme established by an employer for the benefit of his employees:

Provided that where any person would have been entitled to the payment of any money under such a scheme, if the money had become payable immediately prior to 13 June 1978, then section 2(2) shall apply as if the money payable was insurance money; and

Provided further the provisions of sections 20 and 21 shall apply to an employee as if the employee was an insured in respect of any money payable on his death.

(2) For the purpose of subsection (1) the Government shall be bound in the same way as any other employer.

(3) Nothing in this Act shall apply to compensation payable under the Workmen's Compensation Act 1965 [*title 18 item 3*].

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Repeal

48 [omitted]

[Assent Date: 13 June 1978]

[Amended by:

2002 : 36

2014 : 18]