

**Insurance (Amendment) Act 2009
(No. 3 of 2009)**

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The following Act was passed by Parliament on 19th January 2009 and assented to by the President on 11th February 2009:—

INSURANCE (AMENDMENT) ACT 2009

(No. 3 of 2009)

I assent.

S R NATHAN
President.
11th February 2009.

Date of Commencement: 1st March 2009 (Sections 3 and 4)

Date of Commencement: 1st September 2009 (Sections 2, 5 to 11 and 13)

Date of Commencement: 1st March 2010 (Section 12)

An Act to amend the Insurance Act (Chapter 142 of the 2002 Revised Edition) and to make related amendments to the Administration of Muslim Law Act (Chapter 3 of the 1999 Revised Edition), the Central Provident Fund Act (Chapter 36 of the 2001 Revised Edition), the Conveyancing and Law of Property Act (Chapter 61 of the 1994 Revised Edition), the Co-operative Societies Act (Chapter 62 of the 1985 Revised Edition) and the Mental Capacity Act 2008 (Act 22 of 2008).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Insurance (Amendment) Act 2009 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

New Part III C

2. The Insurance Act is amended by inserting, immediately after section 49J, the following Part:

“PART III C

NOMINATION OF BENEFICIARIES

Interpretation of this Part

49K. In this Part, unless the context otherwise requires —

“Central Provident Fund” means the Central Provident Fund established under section 6 of the Central Provident Fund Act (Cap. 36);

“Central Provident Fund Board” means the Central Provident Fund Board constituted under section 3 of the Central Provident Fund Act;

“minimum sum” has the same meaning as in section 2(1) of the Central Provident Fund Act;

“relevant policy” means any life policy or accident and health policy, whether issued before, on or after the date of commencement of section 2 of the Insurance (Amendment) Act 2008, which —

- (a) is issued by a registered insurer;
- (b) is governed by Singapore law;
- (c) provides death benefits;
- (d) is effected by the policy owner on his own life;
- (e) is not the subject of any trust created under section 73 of the Conveyancing and Law of Property Act (Cap. 61); and
- (f) is not an annuity purchased with the minimum sum under section 15(6C) of the Central Provident Fund Act;

“will” has the same meaning as in the Wills Act (Cap. 352).

Trust nomination

49L.—(1) This section shall not apply to any relevant policy which is —

- (a) issued under the Dependants' Protection Insurance Scheme established and maintained by the Central Provident Fund Board under section 41 of the Central Provident Fund Act (Cap. 36); or
- (b) an investment made by a member of the Central Provident Fund under any scheme in accordance with any regulations made under section 77(1)(n) of the Central Provident Fund Act the proceeds or benefits (or any part thereof) of which the member is obliged to repay into the Central Provident Fund.

(2) Where the policy owner of a relevant policy who has attained the age of 18 years —

- (a) nominates as the beneficiary or beneficiaries under the relevant policy his spouse, his children, his spouse and children or any of them;
- (b) expresses in the nomination his intention to create a trust of the policy moneys in favour of the nominee or nominees; and
- (c) makes the nomination, and indicates each nominee's portion of the policy moneys, in such manner as may be prescribed by the Authority,

the nomination shall create a trust of the policy moneys in favour of the nominee or nominees.

(3) No nomination under subsection (2) shall be valid unless it provides for the disposition of all policy moneys under the relevant policy.

(4) Subject to subsection (5), all policy moneys subject to the trust created under subsection (2) shall not form part of the estate of the policy owner or be subject to his debts.

(5) If it is proved that the relevant policy was effected, and the premiums for the relevant policy were paid, with intent to defraud the creditors of the policy owner, the creditors shall be entitled to receive out of the policy moneys a sum equal to the premiums so paid.

(6) On the death of any nominee, the nominee's interest in the policy moneys shall, subject to any encumbrance created over, or any disposition of, the nominee's interest while the nominee was alive, form part of the nominee's estate.

(7) A policy owner may revoke a nomination under subsection (2) if, and only if, the prior written consent to the revocation has been obtained from —

- (a) in a case where any trustee of the policy moneys is a person other than the policy owner —
 - (i) that trustee or, if there is more than one such trustee, any such trustee; or
 - (ii) so long as no nominee has died before the revocation —
 - (A) each nominee who has attained the age of 18 years; and
 - (B) a parent or legal guardian, not being the policy owner, of each nominee who is below the age of 18 years;
- (b) in any other case, so long as no nominee has died before the revocation —
 - (i) each nominee who has attained the age of 18 years; and
 - (ii) a parent or legal guardian, not being the policy owner, of each nominee who is below the age of 18 years; and
- (c) such requirements for the revocation as may be prescribed by the Authority are satisfied.

(8) Where a nomination under subsection (2) has been revoked in accordance with subsection (7) —

- (a) the trust created pursuant to the nomination shall be deemed to be revoked; and
- (b) the policy owner may make a new nomination under subsection (2) or section 49M(2).

(9) Where a nomination under subsection (2) has been made in respect of a relevant policy, a term or condition of the relevant policy may be varied, and an instruction of the policy owner in relation to the relevant policy (being an instruction which may directly or indirectly alter the benefits payable under the relevant policy) may be executed by the registered insurer that issued the relevant policy, if, and only if, the prior written consent to the variation of the term or condition or to the execution of the instruction, as the case may be, has been obtained from —