

debtor against the insurer under that policy shall, notwithstanding anything in any law to the contrary contained, be transferred to and vest in the person to whom the debt is owing.

(3) Any condition in a policy issued for the purposes of Part V of this Act purporting directly or indirectly to avoid the policy or to alter the rights of the parties thereunder upon the happening of any the events specified in subsections (1) and (2) shall be of no effect.

(4) Upon a transfer of rights under subsection (1) or subsection (2) the insurer shall, subject to the provisions of subparagraph (6) of this paragraph be under the same liability to the third party as he would have been under to the insured save that—

(a) if the liability of the insurer to the insured exceeds the liability of the insured to the third party nothing in Part V of this Act shall affect the right of the insured against the insurer in respect of such excess; and

(b) if the liability of the insurer to the insured is less than the liability of the insured to the third party nothing in Part V of this Act shall affect the rights of the third party against the insured in respect of the balance.

(5) The provisions of this paragraph and of paragraph 4 shall not apply—

(a) where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company; or

(b) to any case to which the provisions of section 26 of the Workmen's Compensation Ordinance applies.

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(6) No agreement made between the insurer and the insured after liability has been incurred to a third party and after the commencement of the bankruptcy or the winding-up, as the case may be, nor any waiver, assignment, or other disposition made by or payment made to the insured after such commencement shall be effective to defeat or affect the rights transferred to or vested in the third party under the provisions of this Act and such rights shall be the same as if no such agreement, waiver, assignment, disposition or payment had been made.

(7) For the purposes of this paragraph and of paragraph 4 the expression "liabilities to third parties" in relation to a person insured under a policy of insurance shall not include any liability of that person in the capacity of insurer under some other policy of insurance.

4. (1) Any person against whom a claim is made in respect of any liability required to be covered by a policy under the provisions of Part V of this Act shall on demand by or on behalf of the person making such claim state whether or not he was insured in respect of that liability by any policy having effect for the purposes of Part V of this Act or would have been so insured if the

Duty to
give
information
to third
parties.
Cap. 229,
s. 12.