



Trustee Act 1925

1925 CHAPTER 19 15 and 16 Geo 5

PART II

GENERAL POWERS OF TRUSTEES AND PERSONAL REPRESENTATIVES

General Powers

- 20 Application of insurance money where policy kept up under any trust, power or obligation.**
- (1) Money receivable by trustees or any beneficiary under a policy of insurance against the loss or damage of any property subject to a trust or to a settlement within the meaning of the ^{M1}Settled Land Act, 1925, [^{F1}whether by fire or otherwise], shall, where the policy has been kept up under any trust in that behalf or under any power statutory or otherwise, or in performance of any covenant or of any obligation statutory or otherwise, or by a tenant for life impeachable for waste, be capital money for the purposes of the trust or settlement, as the case may be.
 - (2) If any such money is receivable by any person, other than the trustees of the trust or settlement, that person shall use his best endeavours to recover and receive the money, and shall pay the net residue thereof, after discharging any costs of recovering and receiving it, to the trustees of the trust or settlement, or, if there are no trustees capable of giving a discharge therefor, into court.
 - (3) Any such money—
 - (a) if it was receivable in respect of settled land within the meaning of the Settled Land Act, 1925, or any building or works thereon, shall be deemed to be capital money arising under that Act from the settled land, and shall be invested or applied by the trustees, or, if in court, under the direction of the court, accordingly;
 - (b) if it was receivable in respect of personal chattels settled as heirlooms within the meaning of the Settled Land Act, 1925, shall be deemed to be capital money arising under that Act, and shall be applicable by the trustees, or, if in court, under the direction of the court, in like manner as provided by that

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 for the Trustee Act 1925, Section 20. (See end of Document for details)*

Act with respect to money arising by a sale of chattels settled as heirlooms as aforesaid;

- (c) if it was receivable in respect of [^{F2}land subject to a trust of land or personal property held on trust for sale], shall be held upon the trusts and subject to the powers and provisions applicable to money arising by a sale under such trust;
 - (d) in any other case, shall be held upon trusts corresponding as nearly as may be with the trusts affecting the property in respect of which it was payable.
- (4) Such money, or any part thereof, may also be applied by the trustees, or, if in court, under the direction of the court, in rebuilding, reinstating, replacing, or repairing the property lost or damaged, but any such application by the trustees shall be subject to the consent of any person whose consent is required by the instrument, if any, creating the trust to the investment of money subject to the trust, and, in the case of money which is deemed to be capital money arising under the ^{M2}Settled Land Act, 1925, be subject to the provisions of that Act with respect to the application of capital money by the trustees of the settlement.
- (5) Nothing contained in this section prejudices or affects the right of any person to require any such money or any part thereof to be applied in rebuilding, reinstating, or repairing the property lost or damaged, or the rights of any mortgagee, lessor, or lessee, whether under any statute or otherwise.
- (6) This section applies to policies effected either before or after the commencement of this Act, but only to money received after such commencement.

Textual Amendments

- F1** Words in s. 20(1) repealed (1.2.2001) by 2000 c. 29, s. 34(2)(3), 40(3), 42(2), **Sch. 4 Pt. II** (with s. 35)
- F2** Words in s. 20(3)(c) substituted (1.1.1997) by 1996 c. 47, s. 25(1), **Sch. 3 para. 3(5)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art. 2**
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Marginal Citations

- M1** 1925 c. 18.
M2 1925 c. 18.

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