



Law of Property Act 1925

1925 CHAPTER 20 15 and 16 Geo 5

PART II

CONTRACTS, CONVEYANCES AND OTHER INSTRUMENTS

Contracts

47 Application of insurance money on completion of a sale or exchange.

- (1) Where after the date of any contract for sale or exchange of property, money becomes payable under any policy of insurance maintained by the vendor in respect of any damage to or destruction of property included in the contract, the money shall, on completion of the contract, be held or receivable by the vendor on behalf of the purchaser and paid by the vendor to the purchaser on completion of the sale or exchange, or so soon thereafter as the same shall be received by the vendor.
- (2) This section applies only to contracts made after the commencement of this Act, and has effect subject to—
 - (a) any stipulation to the contrary contained in the contract,
 - (b) any requisite consents of the insurers,
 - (c) the payment by the purchaser of the proportionate part of the premium from the date of the contract.
- (3) This section applies to a sale or exchange by an order of the court, as if—
 - (a) for references to the “vendor” there were substituted references to the “person bound by the order”;
 - (b) for the reference to the completion of the contract there were substituted a reference to the payment of the purchase or equality money (if any) into court;
 - (c) for the reference to the date of the contract there were substituted a reference to the time when the contract becomes binding.

Changes to legislation:

Law of Property Act 1925, Section 47 is up to date with all changes known to be in force on or before 09 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [2023 asc 3 s. 146\(5\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 52(2)(dc)(dd) inserted by [2016 c. 22 Sch. 7 para. 1\(2\)](#)