



Policyholders Protection Act 1975

1975 CHAPTER 75

The Policyholders Protection Board

1 The Policyholders Protection Board

- (1) There shall be a body corporate, to be called the Policyholders Protection Board (hereafter in this Act referred to as " the Board ").
- (2) The functions of the Board shall be—
 - (a) to take the measures provided for by sections 6 to 16 below for the purpose of indemnifying (in whole or in part) or otherwise assisting or protecting policyholders and others who have been or may be prejudiced in consequence of the inability of insurance companies carrying on business in the United Kingdom to meet their liabilities under policies issued or securities given by them; and
 - (b) for the purpose of financing their expenditure on the performance of their functions under those sections, to impose levies, in accordance with sections 19, 20 and 21 below and Schedules 2 and 3 to this Act, on insurance companies and other persons engaged in the insurance industry in the United Kingdom ; and otherwise to do anything requisite for carrying out the provisions of this Act.
- (3) Subject to subsection (4) below, the Board shall have power to borrow any sums they may from time to time require for performing any of their functions under this Act.
- (4) The aggregate amount outstanding in respect of the principal of any money borrowed by the Board under subsection (3) above shall not exceed £10 million.
- (5) Schedule 1 to this Act shall have effect with respect to the constitution of the Board and the other matters there mentioned.

2 Guidance to the Board by the Secretary of State

- (1) Subject to subsection (2) below, the Secretary of State may from time to time, after consultation with the Board, give guidance to the Board in writing with respect to the performance of any of their functions under this Act; and it shall be the duty of the

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Board to perform the functions in question in such a manner as they consider is in accordance with the guidance for the time being given to them in pursuance of this section.

- (2) No guidance shall be given to the Board in pursuance of subsection (1) above unless a draft of the document containing it has been approved by a resolution of each House of Parliament.