



Insurance Brokers (Registration) Act 1977

1977 CHAPTER 46

Regulation of conduct

11 Requirements for carrying on business

- (1) The Council shall make rules requiring registered insurance brokers who are carrying on business as insurance brokers (hereinafter referred to as "practising insurance brokers ") and enrolled bodies corporate to ensure—
 - (a) that their businesses have working capital of not less than such amount as may be prescribed ;
 - (b) that the value of the assets of their businesses exceeds the amount of the liabilities of their businesses by not less than such amount as may be prescribed ; and
 - (c) that the number of insurance companies with which they place insurance business, and the amount of insurance business which they place with each insurance company, is such as to prevent their businesses from becoming unduly dependent on any particular insurance company.
- (2) The Council shall also make rules requiring practising insurance brokers and enrolled bodies corporate—
 - (a) to open and keep accounts at banks for money received by them from persons with whom they do business ;
 - (b) to hold money so received in such manner as may be prescribed;
 - (c) to keep such accounting records showing and explaining the transactions of their businesses as may be prescribed ; and
 - (d) to prepare and submit to the Council at such intervals as may be prescribed balance sheets and profit and loss accounts containing such information as may be prescribed for the purpose of giving a true and fair view of the state of their businesses.
- (3) Without prejudice to the generality of subsections (1) and (2) above, rules under this section may empower the Council—
 - (a) to require practising insurance brokers and enrolled bodies corporate to deliver at such intervals as may be prescribed reports given by qualified

- accountants and containing such information as may be prescribed for the purpose of ascertaining whether or not the rules have been complied with ;
- (b) to require practising insurance brokers and enrolled bodies corporate to deliver at such intervals as may be prescribed statements made by them and containing such information as may be prescribed for the purpose of ascertaining whether or not the rules are being complied with; and
 - (c) to take such other steps as they consider necessary or expedient for the purpose of ascertaining whether or not the rules are being complied with.
- (4) Subject to subsections (5) and (6) below, an accountant is qualified to give reports for the purposes of the rules if he is a member of a recognised body of accountants or is for the time being authorised by the Secretary of State under section 161(1)(b) of the Companies Act 1948 or, in Northern Ireland, by the Department of Commerce for Northern Ireland under section 155(1)(b) of the Companies Act (Northern Ireland) 1960.
- (5) An accountant shall not be qualified to give such reports—
- (a) in relation to a practising insurance broker, if he is an employee or partner of, or an employee of a partner of, the practising insurance broker;
 - (b) in relation to an enrolled body corporate, if he is not qualified for appointment as auditor of the enrolled body corporate.
- (6) A Scottish firm of accountants shall be qualified to give such reports if, but only if, all the partners are so qualified.
- (7) Rules under this section may make different provision for different circumstances, and may specify circumstances in which persons are exempt from any of the requirements of the rules.