



Insurance Companies Act 1981

1981 CHAPTER 31

PART I

RESTRICTION ON CARRYING ON INSURANCE BUSINESS

Preliminary

1 Classification

- (1) For the purposes of this Act and of the Insurance Companies Act 1974 (" the 1974 Act") insurance business is divided into long term business and general business; and—
 - " long term business" means insurance business of any of the classes specified in Schedule 1 to this Act, and
 - " general business " means insurance business of any of the classes specified in Part I of Schedule 2 to this Act.
- (2) For the purposes of this Act and the 1974 Act the effecting and carrying out of a contract whose principal object is within one class of insurance business, but which contains related and subsidiary provisions within another class or classes, shall be taken to constitute the carrying on of insurance business of the first-mentioned class, and no other, if subsection (3) or (4) below applies to the contract.
- (3) This subsection applies to a contract whose principal object is within any class of long term business but which contains subsidiary provisions within general business class 1 or 2 if the insurer is authorised under section 3 or 4 below to carry on long term business class I.
- (4) This subsection applies to a contract whose principal object is within one of the classes of general business but which contains subsidiary provisions within another of those classes, not being class 14 or 15.