



# Insurance Companies Act 1982

## 1982 CHAPTER 50

### PART V

#### SUPPLEMENTARY PROVISIONS

##### *Interpretation*

#### **95 Insurance business**

For the purposes of this Act " insurance business " includes—

- (a) the effecting and carrying out, by a person not carrying on a banking business, of contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee, being contracts effected by way of business (and not merely incidentally to some other business carried on by the person effecting them) in return for the payment of one or more premiums ;
- (b) the effecting and carrying out of tontines;
- (c) the effecting and carrying out, by a body (not being a body carrying on a banking business) that carries on business which is insurance business apart from this paragraph, of—
  - (i) capital redemption contracts;
  - (ii) contracts to manage the investments of pension funds (other than funds solely for the benefit of its own officers or employees and their dependants or, in the case of a company, partly for the benefit of those persons and partly for the benefit of officers or employees and their dependants of its subsidiary or holding company or a subsidiary of its holding company);
- (d) the effecting and carrying out of contracts to pay annuities on human life.

#### **96 General interpretation**

- (1) In this Act, unless the context otherwise requires—

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- "actuary" means an actuary possessing the prescribed qualifications;
- "annuities on human life" does not include superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment, or of the dependants of such persons ;
- "body corporate" does not include a corporation sole or a Scottish firm but includes a body incorporated outside the United Kingdom;
- "chief executive" has the meaning given in section 7 above;
- "contract of insurance" includes any contract the effecting of which constitutes the carrying on of insurance business by virtue of section 95 above ;
- "controller" has the meaning given in section 7 above ;
- "court" means the High Court of Justice in England or, in the case of an insurance company registered or having its head office in Scotland, the Court of Session or, in the case of an insurance company registered or having its head office in Northern Ireland, the High Court of Justice in Northern Ireland ;
- "deed of settlement", in relation to an insurance company, includes any instrument constituting the company;
- "director" includes any person occupying the position of director by whatever name called ;
- "enactment" includes an enactment of the Parliament of Northern Ireland and a Measure of the Northern Ireland Assembly;
- "financial year" means, subject to section 69 above, each period of twelve months at the end of which the balance of the accounts of the insurance company is struck or, if no such balance is struck, the calendar year;
- "former Companies Acts" means the Companies Act 1929 or the Companies Act (Northern Ireland) 1932 and any enactment repealed by that Act of 1929 or, as the case may be, that Act of 1932 or by the Companies (Consolidation) Act 1908;
- "general business" has the meaning given in section 1 above;
- "holding company" shall be construed in accordance with section 154 of the Companies Act 1948 or section 148 of the Companies Act (Northern Ireland) 1960;
- "industrial assurance business" has the meaning given in section 1(2) of the Industrial Assurance Act 1923 or Articles 2(2) and 3(1) of the Industrial Assurance (Northern Ireland) Order 1979 ;
- "insolvent" means, in relation to an insurance company at any relevant date, that if proceedings had been taken for the winding up of the company the court could, in accordance with the provisions of sections 222 and 223 or section 399 of the Companies Act 1948 or, as the case may be, sections 210 and 211 or section 349 of the Companies Act (Northern Ireland) 1960, hold or have held that the company was at that date unable to pay its debts;
- "insurance company" means a person or body of persons (whether incorporated or not) carrying on insurance business;
- "life policy" means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life ;
- "long term business" has the meaning given in section 1 above;

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" long term policy holder " means a policy holder in respect of a policy the effecting of which by the insurer constituted the carrying on of long term business;

" main agent" has the meaning given in section 7 above ;

" manager ", except in section 56, has the meaning given in section 7 above;

" margin of solvency ". " United Kingdom margin of solvency " and " Community margin of solvency shall be construed in accordance with section 32 above;

" mortgage", in relation to Scotland, means a heritable security within the meaning of section 9(8) of the Conveyancing and Feudal Reform (Scotland) Act 1970 ;

" ordinary long-term insurance business " means long term business that is not industrial assurance business ;

" policy "—

(a) in relation to ordinary long-term insurance business and industrial assurance business, includes an instrument evidencing a contract to pay an annuity upon human life;

(b) in relation to insurance business of any other class includes any policy under which there is for the time being an existing liability already accrued or under which a liability may accrue ; and

(c) in relation to capital redemption business, includes any policy, bond, certificate, receipt or other instrument evidencing the contract with the company ;

" policy holder " means the person who for the time being is the legal holder of the policy for securing the contract with the insurance company or, in relation to capital redemption business, means the person who for the time being is the legal holder of the policy, bond, certificate, receipt or other instrument evidencing the contract with the company, and—

(a) in relation to such ordinary long-term insurance business or industrial assurance business as consists in the granting of annuities upon human life, includes an annuitant; and

(b) in relation to insurance business of any kind other than such as is mentioned in the foregoing paragraph or capital redemption business, includes a person to whom, under a policy, a sum is due or a periodic payment is payable ;

" prescribed " means prescribed by regulations under this Act;

" registered society " means a society registered or deemed to be registered under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969 ;

" registrar of companies " has the meaning given in section 455 of the Companies Act 1948 and " registrar of companies in Northern Ireland" means the registrar of companies within the meaning of section 399(1) of the Companies Act (Northern Ireland) 1960 ;

" subsidiary ", except in section 57, shall be construed in accordance with section 154 of the Companies Act 1948 or section 148 of the Companies Act (Northern Ireland) 1960:

"supervisory authority", in relation to a member State other than the United Kingdom, means the authority responsible in that State for supervising insurance companies;

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" underwriter " includes any person named in a policy or other contract of insurance as liable to pay or contribute towards the payment of the sum secured by the policy or contract;

" valuation regulations " means regulations under section 90 above;

" vessel " includes hovercraft.

- (2) References in this Act to a fund or funds maintained in respect of long term business are references to a fund or funds maintained under section 28(1)(b) above and in sections 48(3) and 55(6) above include references to a fund or funds maintained under section 3(1) of the Insurance Companies Act 1958 or section 14(1) of the Insurance Companies Act (Northern Ireland) 1968.
- (3) A person shall not be deemed to be within the meaning of any provision of this Act a person in accordance with whose directions or instructions the directors of a company or other body corporate or any of them are accustomed to act by reason only that the directors of the company or body act on advice given by him in a professional capacity.
- (4) Any reference in this Act to an enactment of the Parliament of Northern Ireland or a Measure of the Northern Ireland Assembly shall include a reference to any enactment re-enacting it with or without modifications.