



Insurance Companies Act 1982

1982 CHAPTER 50

PART II

REGULATION OF INSURANCE COMPANIES

Transfers of general business

51 Approval of transfers of general business

- (1) Where it is proposed to execute an instrument by which an insurance company to which this Part of this Act applies (" the transferor ") is to transfer to another body (" the transferee ") all its rights and obligations under such general policies, or general policies of such descriptions, as may be specified in the instrument, the transferor may apply to the Secretary of State for his approval of the transfer.
- (2) The Secretary of State shall not determine an application made under subsection (1) above unless he is satisfied that—
 - (a) a notice approved by him for the purpose has been published in the London, Edinburgh and Belfast Gazettes and, if he thinks fit, in two national newspapers which have been so approved; and
 - (b) except in so far as he has otherwise directed, a copy of the notice has been sent to every affected policy holder and every other person who claims an interest in a policy included in the transfer and has given written notice of his claim to the transferor ; and
 - (c) copies of a statement setting out particulars of the transfer and approved by him for the purpose have been available for inspection at one or more places in the United Kingdom for a period of not less than thirty days beginning with the date of the first publication of the notice in accordance with paragraph (a) above.
- (3) The notice referred to in subsection (2) above shall include a statement that written representations concerning the transfer may be sent to the Secretary of State before a specified day, which shall not be earlier than sixty days after the day of the first publication of the notice in accordance with paragraph (a) above; and the Secretary

Status: This is the original version (as it was originally enacted).

of State shall not determine the application until after considering any representations made to him before the specified day.

(4) The Secretary of State shall not approve a transfer on an application under subsection (1) above unless he is satisfied that—

- (a) every policy included in the transfer evidences a contract which—
 - (i) was entered into before the date of the application ; and
 - (ii) imposes on the insurer obligations the performance of which will constitute the carrying on of insurance business in the United Kingdom; and
- (b) the transferee is, or immediately after the approval will be, authorised under section 3 or 4 above to carry on in the United Kingdom insurance business of the appropriate class or classes ;

and unless in his opinion the transferee's financial resources and the other circumstances of the case justify the giving of his approval.

(5) On determining an application made under subsection (1) above, the Secretary of State shall—

- (a) publish a notice of his decision in the London, Edinburgh and Belfast Gazettes and in such other manner as he may think fit, and
- (b) send a copy of that notice to the transferor, the transferee and every person who made representations in accordance with the notice referred to in subsection (2) above;

and if he refuses the application he shall inform the transferor and the transferee in writing of the reasons for his refusal.

(6) Any notice or other document authorised or required to be given or served under this section or section 52 below may, without prejudice to any other method of service, be served by post; and a letter containing the notice or other document shall be deemed to be properly addressed if it is addressed to that person at his last known residence or last known place of business in the United Kingdom.

(7) In this section " general policy " means a policy evidencing a contract the effecting of which constituted the carrying on of general business ; and for the purposes of this section a policy holder is an " affected policy holder " in relation to a proposed transfer if—

- (a) his policy is included in the transfer, or
- (b) his policy is with the transferor and the Secretary of State has certified, after consulting the transferor, that in the opinion of the Secretary of State the policy holder's rights and obligations under the policy will or may be materially affected by the transfer.