



# Insurance Companies Act 1982

## 1982 CHAPTER 50

### PART II

#### REGULATION OF INSURANCE COMPANIES

##### *Winding up*

#### **56 Continuation of long term business of insurance companies in liquidation**

- (1) This section has effect in relation to the winding up of an insurance company to which this Part of this Act applies, being a company carrying on long term business.
- (2) The liquidator shall, unless the court otherwise orders, carry on the long term business of the company with a view to its being transferred as a going concern to another insurance company, whether an existing company or a company formed for that purpose ; and, in carrying on that business as aforesaid, the liquidator may agree to the variation of any contracts of insurance in existence when the winding up order is made but shall not effect any new contracts of insurance.
- (3) If the liquidator is satisfied that the interests of the creditors in respect of liabilities of the company attributable to its long term business require the appointment of a special manager of the company's long term business, he may apply to the court, and the court may on such application appoint a special manager of that business to act during such time as the court may direct, with such powers, including any of the powers of a receiver or manager, as may be entrusted to him by the court.
- (4) Subsections (2) and (3) of section 263 of the Companies Act 1948 or, in the case of a special manager appointed in proceedings in Northern Ireland, subsections (2) and (3) of section 236A of the Companies Act (Northern Ireland) 1960 (special manager to give security and receive remuneration) shall apply to a special manager appointed under subsection (3) above as they apply to a special manager appointed under section 263 of the said Act of 1948 or, as the case may be, section 236A of the said Act of 1960.

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*Status: This is the original version (as it was originally enacted).*

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- (5) The court may, if it thinks fit and subject to such conditions (if any) as it may determine, reduce the amount of the contracts made by the company in the course of carrying on its long term business.
- (6) The court may, on the application of the liquidator, a special manager appointed under subsection (3) above or the Secretary of State, appoint an independent actuary to investigate the long term business of the company and to report to the liquidator, the special manager or the Secretary of State, as the case may be, on the desirability or otherwise of that business being continued and on any reduction in the contracts made in the course of carrying on that business that may be necessary for its successful continuation.
- (7) Notwithstanding section 245(1) of the said Act of 1948 or, as the case may be, section 227(1) of the said Act of 1960 (which requires a liquidator to obtain the sanction of the court or committee of inspection for the bringing of legal proceedings in the name of and on behalf of the company) the liquidator may without any such sanction make an application in the name of and on behalf of the company under section 49 above.
- (8) In this section " the court" means the court having jurisdiction to wind up the company.