



# Insurance Companies Act 1982

## 1982 CHAPTER 50

### PART I

#### RESTRICTION ON CARRYING ON INSURANCE BUSINESS

##### *Applications for authorisation*

#### **7 United Kingdom applicants**

- (1) The Secretary of State shall not issue an authorisation under section 3 above to an applicant whose head office is in the United Kingdom unless the applicant is—
  - (a) a company as defined in section 455 of the Companies Act 1948 or section 399 of the Companies Act (Northern Ireland) 1960, or
  - (b) a registered society, or
  - (c) a body corporate established by royal charter or Act of Parliament and already authorised under section 3 or 4 above to carry on insurance business (though not to the extent proposed in the application).
- (2) The Secretary of State shall not issue an authorisation under section 3 above to an applicant whose head office is in the United Kingdom if it has an issued share capital any part of which was issued after the commencement of this section but is not fully paid up.
- (3) The Secretary of State shall not issue an authorisation under section 3 above to an applicant whose head office is in the United Kingdom if it appears to the Secretary of State that any director, controller, manager or main agent of the applicant is not a fit and proper person to hold the position held by him.
- (4) In this section " controller ", in relation to the applicant, means—
  - (a) a managing director of the applicant or of a body corporate of which the applicant is a subsidiary;
  - (b) a chief executive of the applicant or of a body corporate, being an insurance company, of which the applicant is a subsidiary;
  - (c) a person—

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*Status: This is the original version (as it was originally enacted).*

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- (i) in accordance with whose directions or instructions the directors of the applicant or of a body corporate of which it is a subsidiary are accustomed to act, or
  - (ii) who either alone or with any associate or associates is entitled to exercise, or control the exercise of, one-third or more of the voting power at any general meeting of the applicant or of a body corporate of which it is a subsidiary.
- (5) In this section " manager ", in relation to the applicant, means an employee of the applicant (other than a chief executive) who, under the immediate authority of a director or chief executive of the applicant—
- (a) exercises managerial functions, or
  - (b) is responsible for maintaining accounts or other records of the applicant,
- not being a person whose functions relate exclusively to business conducted from a place of business outside the United Kingdom.
- (6) In this section " main agent ", in relation to the applicant, means, subject to such exceptions as may be prescribed, a person appointed by the applicant to be its agent in respect of general business in the United Kingdom, with authority to enter into contracts on behalf of the applicant in any financial year—
- (a) without limit on the aggregate amount of premiums; or
  - (b) with a limit in excess of 10 per cent, of the premium limit as determined in accordance with Schedule 3 to this Act.
- (7) In this section " chief executive ", in relation to the applicant or a body corporate of which it is a subsidiary, means an employee of the applicant or that body corporate, who, either alone or jointly with others, is responsible under the immediate authority of the directors for the conduct of the whole of the insurance business of the applicant or that body corporate.
- (8) In this section "associate", in relation to any person, means—
- (a) the wife or husband or minor son or daughter of that person;
  - (b) any company of which that person is a director;
  - (c) any person who is an employee or partner of that person;
  - (d) if that person is a company—
    - (i) any director of that company;
    - (ii) any subsidiary of that company ;
    - (iii) any director or employee of any such subsidiary ;
- and for the purposes of this subsection " son " includes step-son, " daughter " includes stepdaughter and " minor ", in relation to Scotland, includes pupil.