



Insurance Companies Act 1958

1958 CHAPTER 72

Amalgamations and transfers

11 Provisions as to certain amalgamations and transfers

- (1) Subject to the provisions of this section, where—
- (a) it is intended to amalgamate two or more insurance companies to which this Act applies and any of those companies carries on long term business or employers' liability insurance business, or
 - (b) it is intended to transfer long term business of any class or employers' liability insurance business from one insurance company to which this Act applies to another such company,

the directors of any one or more of those companies may apply to the court, by petition, to sanction the proposed arrangement, and the court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection thereto has been established:

Provided that where it is intended, in the case of an insurance company carrying on life assurance business or industrial assurance business, to amalgamate the company with another company or to transfer that business to another company, the court shall not sanction the amalgamation or transfer if it appears to the court that the life policy holders representing one-tenth or more of the total amount assured in the company dissent therefrom.

- (2) Before any application is made to the court under this section—
- (a) notice of the intention to make the application shall be published in the Gazette;
 - (b) except in relation to a transfer of employers' liability insurance business, a statement of the nature of the amalgamation or transfer, together with an abstract containing the material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which the agreement or deed is founded, including a report by an independent actuary, shall, unless the court otherwise

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directs, be transmitted to each policy holder of each company, being a life, endowment, sinking fund or bond investment policy holder, in the manner provided by section one hundred and thirty-six of the Companies Clauses Consolidation Act, 1845, for the transmission to shareholders of notices not requiring to be served personally ; and

- (c) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy holders and shareholders at the offices of the companies for a period of fifteen days after the publication of the notice in the Gazette.
- (3) Subject to the provisions of this Act, no amalgamation or transfer such as is mentioned in subsection (1) of this section shall take place unless it is sanctioned by the court in accordance with this section;

Provided that this subsection shall not apply if any of the companies concerned in the amalgamation or transfer is registered or has its head office in Northern Ireland and the amalgamation or transfer has been sanctioned by the High Court of Justice in Northern Ireland.

- (4) This section shall not apply to an amalgamation or transfer if each of the companies concerned therein is registered or has its head office in Northern Ireland.
- (5) In this section " court" means the High Court of Justice in England and, in a case where any of the companies concerned in an amalgamation or transfer is registered or has its head office in Scotland, includes the Court of Session.

12 Statements relating to amalgamation or transfer to be deposited with Board of Trade

Where an amalgamation or transfer such as is mentioned in subsection (1) of section eleven of this Act takes place, being an amalgamation or transfer to which that section applies, the combined company or the purchasing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation or transfer, deposit with the Board of Trade—

- (a) certified copies of statements of the assets and liabilities of the companies concerned in the amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer;
- (b) a certified copy of the agreement or deed under which the amalgamation or transfer is effected;
- (c) certified copies of the actuarial or other reports upon which that agreement or deed is founded; and
- (d) a declaration under the hand of the chairman of each company and the principal officer of each company that to the best of their belief every payment made or to be made to any person on account of the amalgamation or transfer is therein fully set out, and that no payments beyond those set out have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.