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 STATUTORY INSTRUMENTS
 

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1983 No. 48

## INSURANCE

**The Insurance Companies (Advertisements) (Amendment)  
Regulations 1983**

<i>Made - - - -</i>	21st January 1983
<i>Laid before Parliament</i>	28th January 1983
<i>Coming into Operation</i>	1st May 1983

The Secretary of State, in exercise of his powers under sections 62 and 86(1) and (1A) of the Insurance Companies Act 1974 (a) and of all other powers enabling him in that behalf, hereby makes the following regulations:—

1. These Regulations may be cited as the Insurance Companies (Advertisements) (Amendment) Regulations 1983 and shall come into operation on 1st May 1983.

2. For regulation 65 of the Insurance Companies Regulations 1981 (b) there shall be substituted the following regulations:—

*“Meaning of insurance advertisement in regulations 65A and 65B*

**65.** In regulations 65A and 65B below “insurance advertisement” means an insurance advertisement which invites any person to enter into or to offer to enter into, or which contains information calculated to lead directly or indirectly to any person entering into or offering to enter into, any contract of insurance (other than a contract of reinsurance) the effecting of which would constitute the carrying on of ordinary long-term insurance business.

*Contents of advertisements (non-specific)*

**65A.—**(1) This Regulation applies to every insurance advertisement (other than an advertisement in respect of which regulation 65B below imposes obligations) unless—

- (a) an insurer is named in the advertisement (whether by his full name or by a name under which he ordinarily carries on business), and
- (b) the advertisement is issued at a time when the insurer is—
  - (i) authorised to carry on long term business in the United Kingdom by or under section 3 or 4 of the 1981 Act, or
  - (ii) permitted to carry on long term business in the United Kingdom otherwise than by virtue of an authorisation to do so under the said section 3 or 4.

(2) An advertisement to which this regulation applies shall include, as may be appropriate, a statement—

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(a) 1974 c.49; section 86(1A) was inserted by section 33(2) of the Insurance Companies Act 1981 (c.31).  
 (b) S.I. 1981/1654; there have been no amendments relevant to the subject matter of these Regulations.

- (a) that the advertisement is about insurance; or
- (b) that the advertisement is about insurance and securities; or
- (c) that the advertisement is about insurance and securities or other investments, being securities or investments of a kind specified in the advertisement.

*Contents of advertisements (overseas insurers)*

**65B.**—(1) This regulation applies to any insurance advertisement (not being an advertisement to which regulation 65A above applies) which—

- (a) relates to a contract of insurance with an insurer referred to in the advertisement, and
- (b) is issued at a time when the insurer referred to in the advertisement is not authorised to carry on long term business in the United Kingdom by or under section 3 or 4 of the 1981 Act,

but does not apply to any insurance advertisement if the insurer referred to in the advertisement is permitted to carry on long term business in the United Kingdom otherwise than by virtue of an authorisation to do so under the said section 3 or 4.

(2) Where an insurer referred to in an advertisement to which this regulation applies does not have his head office in a member State and either—

- (a) he is not permitted under the laws of a member State to carry on business of a description similar to long term business, or
- (b) he proposes to effect a contract of insurance to which the advertisement relates otherwise than through a branch or agency in a member State,

the advertisement shall contain the matters specified in paragraph (3) below.

- (3) The matters referred to in paragraph (2) above are—
  - (a) the full name of the insurer and the country where the insurer is registered and the country where his principal office is situated (if different);
  - (b) the full name of any trustee of property of any description maintained by the insurer in respect of contracts of insurance to which the advertisement relates;
  - (c) an indication whether the investment of such property (or any part of it) is managed by the insurer (or his employee) or by another person and, where such investment is managed by such another person, the full name of every such investment manager;
  - (d) the registered office of any such trustee and of any such investment manager, and of his principal office (if different);
  - (e) where any person in the United Kingdom is to, or may, take any steps on behalf of the insurer with a view to the entering into of contracts of insurance to which the advertisement relates, the full name of, and the registered or principal office in the United Kingdom of, such United Kingdom agent or, if there is more than one, of a principal or main United Kingdom agent; and
  - (f) the words “An insurance company which does not, and is not authorised to, carry on in any part of the United Kingdom business of the class to which this advertisement relates. This means that the

management and solvency of the company are not supervised by a United Kingdom Government Department. Holders of policies issued by the company will not be protected by the Policyholders Protection Act 1975 if the company should become unable to meet its liabilities to them.”

- (4) Every insurance advertisement to which this regulation applies (other than an advertisement within paragraph (2) above) shall include—
- (a) the full name of the insurer and the country where the insurer is registered and the country where his principal office is situated (if different); and
  - (b) the words “Holders of policies issued by the company will not be protected by the Policyholders Protection Act 1975 if the company should become unable to meet its liabilities to them”.

*Provisions supplemental to regulations 65A and 65B*

**65C.**—(1) The matters required to be included in an advertisement pursuant to regulation 65A or 65B(3) and (4) above shall be shown prominently, clearly and legibly.

(2) The words specified in regulation 65B(3)(f) or (4)(b) above shall appear prominently—

- (a) immediately after or alongside the statement of the full name of the insurer, or
- (b) if the name (whether the full name or any other name) of the insurer is stated more than once in the advertisement, immediately after or alongside the most prominent of the statements of the name; and, for this purpose, if two or more statements of the name are equally prominent that which appears first in the advertisement shall be treated as the most prominent.

(3) An insurance advertisement to which regulation 65B above applies, if it states the name of any trustee, investment manager or United Kingdom agent of the insurer referred to in the advertisement and that trustee, investment manager or United Kingdom agent is not independent of the insurer referred to in the advertisement, shall contain a statement naming the insurer and stating that the trustee, investment manager or United Kingdom agent, as the case may require, is a person who is not independent of the insurer; and that statement shall appear prominently—

- (a) immediately after or alongside the statement of the full name of the trustee, investment manager or United Kingdom agent, as the case may be, or
- (b) if the name (whether the full name or any other name) of the trustee, investment manager or United Kingdom agent, as the case may be, of the insurer is stated more than once in the advertisement, immediately after or alongside the most prominent of the statements of the name; and, for this purpose, if two or more statements of a name are equally prominent that which appears first in the advertisement shall be treated as the most prominent.

(4) For the purposes of paragraph (3) above, a trustee, investment manager or United Kingdom agent of an insurer shall be regarded as not independent of the insurer at a particular time if, at that time,—

- (a) the person in question, his spouse or any partner, director, controller or manager of his is a partner, director, controller or manager of the insurer,

- (b) the insurer or any partner, director, controller or manager of the insurer is the spouse or a partner, director, controller or manager of that person,
- (c) that person is a body corporate and the insurer has any interest in any shares or debentures of it, or
- (d) the insurer is a body corporate and that person, his spouse or any partner, director, controller or manager of his has any interest in any of the shares or debentures of the insurer;

and for this purpose a person shall be deemed to be interested in shares or debentures of a body corporate if he is interested in them according to the rules set out in section 28 of the Companies Act 1967 (a) with the addition, in sub-section (9) of that section of a reference to a scheme made under section 20 of the Charities Act (Northern Ireland) 1964 (b) and to an authorised unit trust scheme within the meaning of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940 (c).

- (5) In regulation 65B above and this regulation, “full name” means,—
  - (a) in the case of a body corporate, its corporate name, and
  - (b) in the case of an individual or an unincorporated body, the name under which the individual or body lawfully carries on business.”

*Gerard Vaughan,*  
Minister of State,  
Department of Trade.

21st January 1983.

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(a) 1967 c.81.

(b) 1964 c. 22 (N.I.).

(c) 1940 c.9 (N.I.).

## EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These Regulations contain new and extended requirements in respect of insurance advertisements (defined in the new regulation 65) in place of those contained in regulation 65 of the Insurance Companies Regulations 1981 which apply only to insurers not authorised or permitted to carry on business in the United Kingdom.

The new requirements are—

- (1) Any insurance advertisement, unless it names a United Kingdom authorised insurer, or it is an advertisement which, within (2) and (3) below, is an advertisement referring to a particular non-United Kingdom insurer, is to state whether it is about insurance alone or about insurance and securities or other investments (new regulation 65A).
- (2) An advertisement which refers to an insurer which is not authorised or permitted to carry on business in the United Kingdom or another member State of the European Community is to give specified particulars of the insurer and of any relevant trustee or investment manager and of an agent (if any) in the United Kingdom who seeks business on behalf of the insurer, together with a warning that the insurer is not authorised in the United Kingdom and that there is no protection for policyholders under the Policyholders Protection Act 1975 (c.75)(new regulations 65B(1) to (3) which replace and augment the present provisions).
- (3) An advertisement which refers to an insurer permitted to carry on business in a member State other than the United Kingdom need contain only the full name of the insurer and a warning that the Policyholders Protection Act 1975 does not apply (new regulation 65B(4)).

New regulation 65C contains supplemental provisions including requirements as to the prominence, clarity and legibility of matters which are to be included in insurance advertisements and the position of the warning statements referred to in (2) and (3) above.

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