
STATUTORY INSTRUMENTS

1991 No. 2511

INSURANCE

The Insurance Companies (Linked Contracts) (Amendment) Regulations 1991

Made - - - - *6th November 1991*
Laid before Parliament *8th November 1991*
Coming into force - - *1st February 1992*

The Secretary of State, in exercise of his powers under sections 78(1) and (2)(a) and 97 of the Insurance Companies Act 1982(1) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

1.—(1) These Regulations may be cited as the Insurance Companies (Linked Contracts) (Amendment) Regulations 1991 and shall come into force on 1st February 1992.

(2) The Insurance Companies Regulations 1981(2) shall have effect subject to the following amendments.

2. In regulation 72 (linked contracts), after paragraph (6) insert the following paragraph-

“(7) This regulation does not apply in relation to contracts linked to property of the description in paragraph 10A(b) of Schedule 13 to these Regulations entered into before 1st February 1992 save to the extent that responsibility as mentioned in that paragraph extends at least to acts or omissions after that date.”.

3. In Schedule 13 (Permitted Links)-

(a) for paragraph 4 substitute the following new paragraph-

“4. Units in an authorised unit trust scheme or a recognised scheme within the meaning of section 207(1) of the Financial Services Act 1986(3).”; and

(b) after paragraph 10 insert the following new paragraph-

“10A. Units by whatever name called, in a real or notional fund (not being a scheme or undertaking of a kind mentioned in paragraph 4 above) which is limited to the descriptions of property mentioned above and which under the contract is to be managed either:-

(a) wholly by the insurer; or

(1) 1982 c. 50.

(2) S.I.1981/1654, to which there are amendments not relevant to these Regulations.

(3) 1986 c. 60.

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- (b) wholly or to any extent by another person being a person for whose acts and omissions in managing the fund the insurer assumes responsibility towards the policy holder as if they were the acts or omissions of the insurer, and otherwise (if at all) by the insurer.”

6th November 1991

John Redwood
Minister of State,
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the Insurance Companies Regulations 1981 by restricting the ability of an insurance company to which Part II of the Insurance Companies Act 1982 applies or a member of Lloyd's to enter into long-term insurance contracts under which the benefits payable are determined wholly or partly by reference to units in a fund which is neither an authorised unit trust scheme nor a recognised scheme within the meaning of the Financial Services Act 1986. The relevant provisions do not apply to a contract entered into before 1st February 1992 except in the circumstances set out in the amendment to the Insurance Companies Regulations 1981 made by regulation 2 of the Regulations.

The Regulations also amend the Insurance Regulations 1981 by permitting an insurance company to which Part II of the Insurance Companies Act 1982 applies or a member of Lloyd's to enter into long-term insurance contracts under which the benefits payable are determined wholly or partly by reference to units in an authorised unit trust scheme or a recognised scheme.