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STATUTORY INSTRUMENTS

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**1996 No. 3011**

**The Insurance (Lloyd's) Regulations 1996**

**AMENDMENTS OF 1982 ACT**

**Application of 1982 Act to former members of Lloyd's**

**3.—(1)** If and so long as a former member continues to be liable as a party to contracts of insurance entered into by him as a member of Lloyd's—

- (a) he shall not require authorisation under section 3 of the 1982 Act by virtue only of being so liable (or of doing anything to meet any liability of his under any of those contracts); but
- (b) he shall be treated for the purpose of the 1982 Act as if he were a UK company to which Part II of that Act applies in respect of any liability of his under any of those contracts.

(2) Paragraph (1) above shall not be taken to affect any question whether (apart from the provisions of this regulation) a former member would require authorisation under section 3 of the 1982 Act or be a person who is subject to Part II of that Act.

**4.** Section 68 of the 1982 Act (power to modify Part II in relation to particular companies) shall have effect in relation to any former member to whom regulation 3(1) above applies with the following modifications—

- (a) the requirement for an order under that section to be made on the application, or with the consent, of the person in respect of whom it is made shall be omitted;
- (b) the order may exclude or modify the application to the person in respect of whom it is made of any provision of Part II of that Act.

**Requirements for Lloyd's underwriters**

**5.** In section 15(4) of the 1982 Act (application of Part II to members of Lloyd's)—

- (a) omit the words “he complies with”;
- (b) at the end add the words “are complied with by or in respect of him”.

**6.—(1)** Section 83 of the 1982 Act (requirements to be complied with by Lloyd's underwriters) is amended as follows.

(2) In subsection (4), omit the words following “Lloyd's”.

(3) For subsection (5) substitute—

“(4A) The Council of Lloyd's and the Secretary of State shall be furnished with a certificate from the accountant who audits the accounts of an underwriter which—

- (a) is in the prescribed form; and
- (b) contains the statements mentioned in subsection (5) below.

(5) The statements so required in relation to the accounts of an underwriter are statements that in the opinion of the auditor—

- (a) the value of the assets available to meet the underwriter's liabilities in respect of insurance business is correctly shown in the accounts; and

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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- (b) the value of those assets is sufficient to meet the liabilities calculated—
  - (i) in the case of long term business by an actuary; and
  - (ii) in the case of other liabilities, by the auditor on a basis approved by the Secretary of State.”

7. After section 85(4) of the 1982 Act<sup>(1)</sup> (Lloyd’s underwriters—transfer of business) insert—

“(5) In this section references to a member of Lloyd’s include references to a former underwriting member of Lloyd’s (within the meaning of the Lloyd’s Act 1982) who has ceased to be a member of Lloyd’s, whether by resignation or otherwise, in accordance with the Lloyd’s Act 1982 and any byelaw made thereunder.”

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<sup>(1)</sup> Section 85(4) was added by S.I.1994/1696, reg. 48(2).