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STATUTORY INSTRUMENTS

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**1997 No. 653**

**INSURANCE**

**The Insurance (Fees) Regulations 1997**

*Made* - - - - *6th March 1997*  
*Laid before Parliament* *10th March 1997*  
*Coming into force* - - *1st April 1997*

Whereas the Secretary of State has had regard to the object of securing (so far as practicable) that the amount of the fees payable under section 94A of the Insurance Companies Act 1982(1) in the year beginning on 1st April 1997 by insurance companies and the Council of Lloyd's is equal to the cost likely to be incurred in that period by the Secretary of State in exercising the functions specified in regulation 10 of these Regulations:

Now, therefore, the Secretary of State, in exercise of his powers under sections 94A, 96(1) and 97 of that Act, and of all other powers enabling him in that behalf, hereby makes the following Regulations:

1. These Regulations may be cited as the Insurance (Fees) Regulations 1997 and shall come into force on 1st April 1997.

2. The Insurance (Fees) Regulations 1996(2) are hereby revoked.

3. In these Regulations—

“the Act” means the Insurance Companies Act 1982;

“Community deposit company” means an insurance company (other than a pure reinsurer) whose head office is not in a member State and which has made a deposit in a member State other than the United Kingdom in accordance with section 9(1)(c) as it has effect in pursuance of section 9(2)(b) of the Act;

“gross premium receivable” means the gross amount of premiums receivable required to be included in the documents required to be deposited under section 22(1) of the Act in relation to the financial year to which the documents relate (or, where by reason of an order made under section 68 of the Act such amounts are not required to be included, the amount which would otherwise have been required to be so included) being—

(a) in the case of a company (other than a Community deposit company or a Swiss general insurance company) which carries on either long term business or general business but not both, premiums receivable in respect of its global business;

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(1) 1982 c. 50; section 94A was inserted by the Insurance (Fees) Act 1985 (c. 46).

(2) S.I. 1996/546.

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- (b) in the case of a company (other than a Community deposit company) which carries on both long term business and general business, the sum of premiums receivable in respect of its global long term business and its global general business;
- (c) in the case of a Community deposit company which carries on either long term business or general business but not both through a branch in the United Kingdom, premiums receivable in respect of its United Kingdom branch business;
- (d) in the case of a Community deposit company which carries on both long term business and general business through a branch in the United Kingdom, the sum of premiums receivable in respect of its United Kingdom branch long term business and United Kingdom branch general business;
- (e) in the case of a Swiss general insurance company which carries on general business through a branch in the United Kingdom, premiums receivable in respect of its United Kingdom branch business;

“group” means a body corporate together with:—

- (a) all of its wholly-owned subsidiaries;
- (b) any body corporate of which it is a wholly-owned subsidiary;
- (c) all bodies corporate which are wholly-owned subsidiaries of any such body corporate as is first mentioned in (b) above;

“pure reinsurer” means an insurance company whose authorisation to carry on business in the United Kingdom is restricted to reinsurance;

“wholly-owned subsidiary” has the meaning given to it by section 736(2) of the Companies Act 1985(3);

“winding up” includes an analogous procedure under any jurisdiction other than that of any part of the United Kingdom;

and words and expressions which are also used in the Act shall have the same construction as in the Act (but nothing in regulation 71 of the Insurance Companies (Third Insurance Directives) Regulations 1994(4) shall have effect for the purposes of these Regulations).

4. Subject to regulations 5 to 8 below, when documents are deposited under section 22(1) of the Act the insurance company concerned shall pay to the Secretary of State the fee as set out in the table below, according to the amount of its gross premiums receivable for the financial year to which the documents deposited relate:

<i>Gross premiums receivable</i>	<i>Fee</i>
Over £2,000,000 up to and including £5,000,000	£5,000
Over £5,000,000 up to and including £20,000,000	£12,000
Over £20,000,000 up to and including £75,000,000	£19,000
Over £75,000,000	£25,000

5. These Regulations do not apply in the case of—

- (a) an EC company; or

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(3) 1985 c. 6; section 736 was substituted by the Companies Act 1989 (c. 40), section 144(1).

(4) S.I. 1994/1696; regulation 71 was substituted by S.I. 1994/3132, reg. 12(3).

- (b) any other insurance company where its gross premiums receivable in respect of the financial year to which documents deposited by it under section 22(1) of the Act relate do not exceed £2,000,000.

**6.—**(1) Subject to paragraph (2) below, where the sum of the fees payable under regulations 4 and 5 above by all the insurance companies within a group exceeds £175,000 the fee in respect of each of those insurance companies shall be abated proportionately so that the sum of the fees payable by those insurance companies is £175,000.

(2) For the purposes of paragraph (1) above, an insurance company shall be deemed to be a member of a group at the date upon which it deposits documents in respect of a financial year in accordance with section 22(1) of the Act if it was a member of that group at the end of the financial year to which those documents relate.

**7.** No fee shall be payable under regulation 4 where, at the date upon which documents are deposited under section 22(1) of the Act—

- (a) the insurance company is subject to the process of winding up and cannot lawfully effect any contracts of insurance; or
- (b) the insurance company is subject to a direction by the Secretary of State given under section 11 of the Act or section 11 of the Insurance Companies Act 1981<sup>(5)</sup>, or given under section 12A of the Act and confirmed by the Secretary of State pursuant to section 12A(6) of the Act<sup>(6)</sup>, that it shall cease to be authorised to effect contracts of insurance (including reinsurance) of all classes for which it had been authorised under section 3 or 4 of the Act or under section 3 or 4 of the said Act of 1981; or
- (c) the insurance company is subject to a restriction imposed under section 68 of the Companies Act 1967<sup>(7)</sup> or section 13 of the Insurance Companies Amendment Act 1973<sup>(8)</sup>, or imposed or deemed to have been imposed under section 29 of the Insurance Companies Act 1974<sup>(9)</sup> which, in any of those cases and taking into account the authorisation of the company, has the result that the company is prohibited from effecting any contract of insurance (including reinsurance) in the United Kingdom.

**8.** These Regulations do not apply when copies of an abstract of an actuary's report of an investigation made under section 18(1) of the Act are deposited with the Secretary of State unless the abstract is of a report of an investigation which is required to be made by paragraph (a) of that subsection.

**9.** Where a statement is deposited under section 86(1) of the Act by the Council of Lloyd's it shall pay to the Secretary of State a fee of £125,000.

**10.** For the purposes of section 94A(6) of the Act, the relevant functions of the Secretary of State in relation to insurance companies and the members of Lloyd's are anything done for the purpose of or in connection with—

- (a) sections 11 to 13, Part II, sections 75 and 78, Part IIIA, Part IV and section 94A of the Act<sup>(10)</sup> including prosecution of offences alleged to have been committed under any of those provisions or under provisions in earlier legislation which are analogous to those provisions;
- (b) section 98 of the Act in respect of the functions set out in sub-paragraph (a) above;
- (c) proposals for United Kingdom and European Communities legislation.

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<sup>(5)</sup> 1981 c. 31.

<sup>(6)</sup> Section 12A was inserted by S.I. 1994/1696, reg. 11.

<sup>(7)</sup> 1967 c. 81.

<sup>(8)</sup> 1973 c. 58.

<sup>(9)</sup> 1974 c. 49.

<sup>(10)</sup> For relevant amendments see the note on amendments following this instrument.

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6th March 1997

*Anthony Nelson*  
Minister for Trade,  
Department of Trade and Industry

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

1. These Regulations, which come into force on 1st April 1997, revoke the Insurance (Fees) Regulations 1996 and set out the fees to be paid to the Secretary of State by insurance companies when they deposit their accounts and other documents as required by section 22(1) of the Insurance Companies Act 1982 and by the Council of Lloyd's when the statement in respect of Lloyd's is deposited under section 86(1) of that Act.

2. The level of fees for an insurance company is fixed according to the amount of its gross premiums receivable in respect of its global business or, in the case of a Community deposit company, its UK business (aggregating the amount for long-term business and general business where both types of business are being carried on), for the financial year to which the annual accounts relate. In the case of a Swiss company (other than a Community deposit company) the level of fees is fixed according to the amount of its global long term business or its UK general business. Where the company is a member of a group there is a limit of £175,000 in respect of the whole group. The Regulations specify that no fee is payable in respect of an EC company (whether or not the third general insurance Directive and the third long term insurance Directive have been implemented in the State in which it has its head office) or where the company is in the process of being wound up, whether in the United Kingdom or another jurisdiction, or the company is precluded from effecting contracts of insurance in the United Kingdom at the date when the documents are deposited with the Secretary of State.

3. The amount of gross premiums receivable for companies submitting returns with a year end prior to 23rd December 1996 are: in respect of general business, the amount required to be included in Column 1, line 11 of Form 11 in Schedule 1 to the Insurance Companies (Accounts and Statements) Regulations 1983 (S.I.1983/1811), and in respect of long term business, the amount required to be included in Column 1 of line 9 of Form 41 in Schedule 3 to those Regulations. The amount of gross premiums receivable for companies submitting returns with a year end on or after 23rd December 1996 are: in respect of general business, the amount required to be included in Column 1, line 11 of Form 11 in Schedule 1 to the Insurance Companies (Accounts and Statements) Regulations 1996 (S.I. 1996/943), and in respect of long term business, the sum of Column 1, lines 19 and 29 of Form 41 in Schedule 3 to those Regulations. If the Secretary of State has made an order under section 68 of the Insurance Companies Act 1982 so that the gross premiums do not have to be shown in the returns, then the amount of gross premiums receivable is the amount which would be shown had the order not been made.

### NOTE ON AMENDMENTS TO THE INSURANCE COMPANIES ACT 1982 RELEVANT TO REGULATION 10

**(This note is not part of the Regulations)**

Section 11(2)(a) was amended by section 129 of, and paragraph 7(1) of Schedule 10 to, the Financial Services Act 1986 (c. 6); section 11(2)(aa) was inserted by S.I. 1990/1333, regulation 8(1) and substituted by S.I. 1994/1696, regulation 10; section 11(2)(ab) was inserted by S.I. 1994/1696, regulation 10 and amended by S.I. 1994/3132, regulation 10; section 11(2)(d) was inserted by S.I. 1993/3127, regulation 2(4); section 11(5) was substituted by S.I. 1993/3127, regulation 2(5) and section 11(7) was inserted by S.I. 1993/3127, regulation 2(6);

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section 12(2) was amended by S.I. [1994/1696](#), regulation 10; section 12(2A) was inserted by S.I. [1994/1696](#), regulation 10 and amended by S.I. [1994/3132](#), regulation 10; section 12A was inserted by S.I. [1994/1696](#), regulation 11;

section 13(1) and 13(2) was substituted by S.I. [1994/1696](#), regulation 12; section 13(2A) and 13(2B) was inserted by section 129 of, and paragraph 7(2) of Schedule 10 to, the Financial Services Act 1986; section 13 was modified in regulation to European subsidiaries by S.I. [1992/3218](#), regulation 64;

section 15(1A) was inserted by S.I. [1994/1696](#), regulation 13 and section 15(1) and section 15(1A) substituted by S.I. [1994/3132](#), regulation 4;

section 15(3) was amended by section 300(2) of, and paragraph 31 of Schedule 2 to, the Trade Union and Labour Relations (Consolidation) Act [1992 \(c. 52\)](#);

section 15(4) was amended by S.I. [1996/3011](#), regulation 5;

section 15(5) was amended by S.I. [1987/2130](#), regulation 2(a);

section 21(1) was amended by S.I. [1991/1997](#), regulation 2, Schedule, paragraph 47;

section 21A was inserted by section 135 of the Financial Services Act 1986;

section 27 was amended by S.I. [1993/3127](#), regulation 3(2);

section 31(5) was amended and section 31(5A) inserted by S.I. [1994/3132](#), regulation 5; section 31(7) was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act [1985 \(c. 9\)](#), and S.I. [1986/1035 \(N.I. 9\)](#) article 23, Schedule 1, Part II, and section 10 of, and Schedule 2 to, the Age of Legal Capacity (Scotland) Act [1991 \(c. 50\)](#);

section 31A was inserted by section 136(1) of the Financial Services Act 1986;

section 32(3) was amended by S.I. [1993/3127](#), regulation 3(3) and S.I. [1994/1696](#), regulation 14;

section 32(5) and 32(6) was amended by S.I. [1994/1696](#), regulation 14;

section 33(1) and 33(3) was amended by S.I. [1994/1696](#), regulation 14;

section 34(1) was amended by S.I. [1993/3127](#), regulation 3(4) and S.I. [1994/1696](#), regulation 15;

section 35(2) was amended by S.I. [1993/3127](#), regulation 3(5) and S.I. [1994/1696](#), regulation 16;

section 35A was inserted by S.I. [1994/1696](#), regulation 17 and amended, and section 35A(5) inserted, by S.I. [1994/3132](#), regulation 6;

section 35B was inserted by S.I. [1994/1696](#), regulation 18;

section 37(2)(aa) was inserted by S.I. [1994/1696](#), regulation 19(1); section 37(2)(g) was amended by S.I. [1994/1696](#), reg. 19(1)(c); section 37(2)(g) was amended by S.I. [1994/1696](#), regulation 19(1); section 37(2)(h) was added by S.I. [1993/3127](#), regulation 3(6); section 37(3) was amended by S.I. [1994/1696](#), regulation 19(2); section 37(4A) was inserted by S.I. [1994/1696](#), regulation 19(3); section 37(5) was amended by S.I. [1994/1696](#), regulation 19(4);

section 38(3)(a) was amended by S.I. [1993/3127](#), regulation 3(7), and S.I. [1994/1696](#), regulation 20;

section 39(1) was substituted, section 39(2) amended, section 39(3) amended and section 39(5) substituted by S.I. [1994/1696](#), regulation 21;

section 40A was inserted by S.I. [1994/1696](#), regulation 22; section 43A was inserted by S.I. [1994/1696](#), regulation 23;

section 44(2)–(4) was amended, and section 44(6) was substituted by section 77(2) of the Companies Act [1989 \(c. 40\)](#);

section 44(2A) and 44(2B) was inserted by S.I. [1994/1696](#), regulation 24(1);

section 44(4) was amended and section 44(4A) was inserted by S.I. [1994/1696](#), regulation 24;

section 44A was inserted by section 77(3) of the Companies Act 1989;

section 45(1) and section 45(2) was amended by S.I. [1994/1696](#), regulation 25;

section 47A was added by the Companies Consolidation (Consequential Provisions) Act 1985 and substituted by S.I. [1994/1696](#), regulation 26;

section 47B was inserted by section 25 of the Companies Consolidation (Consequential Provisions) Act 1985; section 47B(1) was amended by S.I. [1994/1696](#), regulation 27;

section 48(1) was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act 1985; section 48(2) was amended by S.I. [1986/1035 \(N.I. 9\)](#), article 23, Schedule 1, Part II; section 48(3) was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act 1985 and S.I. [1986/1035 \(N.I. 9\)](#), article 23, Schedule 1, Part II;

sections 49 to 52 were substituted by S.I. [1994/1696](#), regulation 28;

section 52A was inserted by S.I. [1990/1333](#); section 52A(1) was substituted by S.I. [1994/1696](#), regulation 29 and amended by S.I. [1994/3132](#), regulation 7(7); section 52A(2) was amended by S.I. [1993/174](#), regulation 3(4);

section 52B was inserted by S.I. [1994/1696](#), regulation 30, and amended by S.I. [1994/3132](#), regulation 7(8);

section 53 was amended by section 439(2) of, and Schedule 14 to, the Insolvency Act 1986 (c. 45) and S.I. [1989/2405](#), article 381(2), Schedule 9, Part II, paragraph 33;

section 54(1) was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act 1985 and by section 439(2) of, and Schedule 14 to, the Insolvency Act 1986 and paragraph (bb) was inserted in this sub section by S.I. [1990/1333](#), regulation 8(3) and substituted by S.I. [1994/1696](#), regulation 31(1); section 54(2) was amended by S.I. [1989/2405](#), article 381(2), Schedule 9, Part II, paragraph 34, and section 54(2)(bb) was inserted by S.I. [1990/1333](#), regulation 8(3) and substituted by S.I. [1994/1696](#), regulation 31(2); section 54(4) was amended by section 439(2) of, and Schedule 14 to, the Insolvency Act 1986 and S.I. [1989/2405](#), article 381(2), Schedule 9, Part II, paragraph 34;

section 55(5) and (6) was amended by section 439(2) of, and Schedule 14 to, the Insolvency Act 1986 and S.I. [1989/2405](#), article 381(2), Schedule 9, Part II, paragraph 35;

section 56(4) and (7) was amended by section 439(2) of, and Schedule 14 to, the Insolvency Act 1986 and S.I. [1989/2405](#), article 381(2), Schedule 9, Part II, paragraph 36;

section 57(1) was amended by section 235(3) of, and Schedule 10 to, the Insolvency Act 1985 (c. 65);

section 59 was amended by section 439(2) of, and Schedule 14 to, the Insolvency Act 1986 and S.I. [1989/2405 \(N.I. 19\)](#), article 381(2), Schedule 9, Part II, paragraph 37;

section 60(3) and 60(3A) was substituted by S.I. [1994/1696](#), regulation 32;

section 61(1A) and (2) was substituted for section 61(2) by S.I. [1994/1696](#), regulation 33;

section 61(2A) was inserted by S.I. [1992/2890](#), regulation 4;

section 61A and section 61B were inserted by S.I. [1994/1696](#) regulations 34 and 35;

section 62(1) was substituted, section 62(2) amended and section 62(3) inserted, by S.I. [1994/1696](#), regulation 36;

section 63(1) was amended by S.I. [1993/3127](#), regulation 3 and S.I. [1994/1696](#), regulation 37;

section 66 was amended by S.I. [1986/1035 \(N.I. 9\)](#), article 23, Schedule 1, Part II and S.I. [1994/1696](#), regulation 38;

section 71(1) was amended by S.I. [1994/1696](#), regulation 39(1); section 71(2) and (3) was amended by S.I. [1984/703](#), article 19, Schedule 6, paragraph 31 and Schedule 7 and S.I. [1984/253](#), article 2(1), Schedule 1; section 71(2A) was inserted by section 77 of the Companies Act 1989; section 71(2AA) was inserted by S.I. [1994/1696](#), regulation 39(2); section 71(3) was amended by S.I. [1994/1696](#),

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regulation 39(3); section 71(4) was amended by S.I. 1994/1696, regulation 39(4), section 71(5) was amended by S.I. 1994/1696, regulation 39(6); section 71(6) was amended by section 77 of the Companies Act 1989; section 71(7) was amended by sections 135(2) and 136(2) of the Financial Services Act 1986 and further amended by S.I. 1994/1696, regulation 39(7);

section 75(1) was substituted by S.I. 1994/3132, regulation 9; section 75(1A) and (1B) was inserted by S.I. 1993/1327, regulation 2; section 75(5) was amended by S.I. 1993/1327, regulation 2(2); section 75(5A) to (5C) was inserted by S.I. 1993/1327, regulation 2(3);

section 78(1)(a) was amended by S.I. 1994/1696, regulation 44;

section 78(2)(aa) was inserted by section 137 of the Financial Services Act 1986;

Part IIIA was inserted by S.I. 1990/1333, regulation 10 and substituted by S.I. 1994/1696, regulation 45(1);

section 82(5) was amended by S.I. 1994/1696, regulation 47;

section 83(4) was amended by S.I. 1996/3011, regulation 6(2) and 83(4A) was inserted and 83(5) substituted by S.I. 1996/3011, regulation 6(3);

section 83A was inserted by S.I. 1992/2890, regulation 8 and amended by S.I. 1993/174, regulation 2(1) and further amended by S.I. 1994/1696, regulation 48;

section 85(5) was inserted by S.I. 1996/3011, regulation 7;

section 87 was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act 1985 and S.I. 1986/1035, article 23, Schedule 1, Part II;

section 88(1) was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act 1985 and S.I. 1986/1035, article 23, Schedule 1, Part II;

section 89 was amended by section 30 of, and Schedule 2 to, the Companies Consolidation (Consequential Provisions) Act 1985;

section 94A was inserted by the Insurance (Fees) Act 1985 (c. 46).