
STATUTORY INSTRUMENTS

1994 No. 1696

**The Insurance Companies (Third
Insurance Directives) Regulations 1994**

PART II

AMENDMENTS OF 1982 ACT

CHAPTER III

CONDUCT OF INSURANCE BUSINESS

Information for policy holders of UK insurers and EC companies

40.—(1) After section 72 of the 1982 Act insert—

“Information for policy holders of UK insurers and EC companies.

72A. Schedule 2E to this Act (which makes provision with respect to information for policy holders of UK insurers and EC companies) shall have effect.”

(2) After Schedule 2D to that Act insert Schedule 5 to these Regulations (information for policy holders of UK insurers and EC companies), as Schedule 2E.

Information for policy holders of EFTA companies

41. After section 72A of the 1982 Act insert—

“Information for policy holders of EFTA companies.

72B.—(1) Subject to subsection (2) below, this section applies to a contract entered into by an EFTA company the effecting of which constitutes the provision of insurance in the United Kingdom.

(2) This section does not apply to a contract entered into by an authorised person the effecting of which constitutes the carrying on in the United Kingdom of investment business; and in this subsection expressions which are also used in the Financial Services Act 1986 have the same meanings as in that Act.

(3) Before entering into a contract to which this section applies, the company shall, unless the contract is for the coverage of large risks only, inform the other party to the contract of the EEA State in which is situated the establishment through which the risk or commitment is to be covered; and any document issued to that party by the company shall also contain that information.

(4) If the information required by subsection (3) above is furnished otherwise than in writing before the time when the contract is entered into, there is a sufficient compliance with that subsection if it is also furnished in writing as soon as practicable after that time.

(5) Any relevant document issued by an EFTA company in relation to a contract to which this section applies shall state—

- (a) the address of the establishment through which the risk or commitment is or is to be covered; and
- (b) where the insurance relates to relevant motor vehicle risks, the name and address of the claims representative.

(6) In this section ‘relevant document’, in relation to a contract to which this section applies, means any proposal, policy or other document which, or statements contained in which, will or may bind the other parties to the contract.

(7) In this Act ‘EFTA company’ means an insurance company—

- (a) whose head office is in an EFTA State;
- (b) which is authorised in accordance with Article 6 of the first general insurance Directive (as extended by the EEA Agreement) or Article 6 of the first long term insurance Directive (as so extended); and
- (c) whose business in the United Kingdom is not restricted to reinsurance business.”

Intermediaries in insurance business

42. At the end of subsection (2) of section 74 of the 1982 Act (intermediaries in insurance transactions) insert the words “or an EC or EFTA company entitled to provide in the United Kingdom insurance of such a class”.

Statutory notice by insurer in relation to long term policy

43. For subsection (1) of section 75(1) (statutory notice by insurer in relation to long term policy) substitute—

“(1) Subject to subsections (5) and (5A) below, unless the requirements of subsection (1A) below are fulfilled—

- (a) no insurance company which is authorised under section 3 or 4 above and no member of Lloyd’s shall enter into a contract the effecting of which constitutes the carrying on of long term business in the United Kingdom;
- (b) no EC company shall enter into a contract the effecting of which constitutes the carrying on of such business or the provision of long term insurance in the United Kingdom; and
- (c) no EFTA company shall enter into a contract the effecting of which constitutes the provision of such insurance in the United Kingdom.”

Linked long term policies and capital redemption

44. In subsection (1)(a) of section 78 of the 1982 Act (linked long term policies), after the words “by companies to which Part II of this Act applies” insert “, by EC companies”.