



# Companies Act 1967

## 1967 CHAPTER 81

### PART II

#### AMENDMENTS OF LAW WITH RESPECT TO INSURANCE COMPANIES

##### *Other Matters*

#### **92 Power of Board of Trade to exempt certain companies from sections 4, 5, 7 to 9 and 13 of the principal Act.**

- (1) Where, on the application of a company, incorporated whether under the Companies Act 1948 or otherwise, of a registered society or of an unincorporated body of persons, the Board of Trade—
- (a) are satisfied that the company, society or body is carrying on in Great Britain, or is about so to carry on, business for the purpose only of insuring persons of a limited class or of insuring persons against risks of a limited category of the class against which insurance may lawfully be undertaken by the company, society or body in the course of carrying on business in Great Britain; and
  - (b) are satisfied, as regards any of the following provisions of the principal Act, that is to say, sections 4, 5, 7 to 9 and 13, that, in the case of the company, society or body, that provision is or will be inappropriate or unduly onerous;
- the Board may by order direct that, subject to such (if any) conditions as may be specified in the order, that provision shall not apply to the company, society or body, or may so direct that (subject as aforesaid) that provision shall, in its application to the company, society or body, have effect subject to such relaxative modifications as may be so specified.
- (2) An order made under this section may be revoked by the Board of Trade—
- (a) on the application of the company, society or body to which it applies;
  - (b) if the Board are satisfied that the benefits accruing to the company, society or body by virtue of the order can no longer be justified ; or
  - (c) if the Board are satisfied that a condition specified in the order has not been complied with;

and the Board may, from time to time, amend an order so made.

**93 Power of Board of Trade to adapt section 3 of the principal Act.**

- (1) The Board of Trade may, on the application or with the consent of an insurance company to which the principal Act applies.—
  - (a) by order direct that, for the purposes of section 3 of that Act (separation of funds relating to certain classes of business) in its application to the company, insurance business of a kind specified in the order, not being ordinary long-term insurance business, shall be treated as being such business ; or
  - (b) by order direct that, for the purposes of that section in its application to the company, ordinary long-term insurance business of a kind so specified shall be treated as not being such business.
- (2) An order under this section may be revoked at any time by the Board of Trade.

**94 Circumstances in which persons carrying on insurance business of certain classes are to be taken as not carrying on also such business of other classes.**

- (1) For the purposes of this Part of this Act, a person shall not be taken to carry on liability insurance business by reason only of the incidental inclusion, in a contract of insurance whose principal object is to insure a person against risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes property insurance business, of provision whereby he assumes liability against the risk of the person insured incurring liabilities to third parties.
- (2) For the purposes of this Part of this Act, a person shall not be taken to carry on marine, aviation and transport insurance business by reason only of the incidental inclusion, in a contract of insurance whose principal object is to insure a person against risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes insurance business of some other class, of provision whereby he assumes a liability of a kind whose assumption by itself in a contract of insurance would make that contract such a one as is mentioned in section 59(4) of this Act.
- (3) For the purposes of this Part of this Act, a person shall not be taken to carry on motor vehicle insurance business by reason only of the fact that goods, merchandise or property upon which a contract of insurance is effected by him (being goods, merchandise or property on board of a vessel or aircraft) consist of, or include, motor vehicles.
- (4) For the purposes of this Part of this Act and of sections 3, 5 and 11 of the principal Act, a person shall not be taken to carry on ordinary long-term insurance business by reason only of the incidental inclusion in a contract of insurance whose principal object is to insure a person against risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes marine, aviation and transport insurance business, motor vehicle insurance business or property insurance business, of provision whereby he assumes liability against the happening of personal accidents (whether fatal or not).
- (5) For the purposes of this Part of this Act, a person shall not be taken to carry on pecuniary loss insurance business by reason only of the incidental inclusion, in a contract of insurance whose principal object is to insure a person against risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes marine, aviation and transport insurance business, motor vehicle insurance

business or property insurance business, of provision whereby he assumes liability against such risks as are mentioned in section 59(7)(c) and (d) of this Act.

- (6) For the purposes of this Part of this Act, a person shall not be taken to carry on personal accident insurance business by reason only of the incidental inclusion, in a contract of insurance whose principal object is to insure a person against risks of a kind such that the business of effecting and carrying out contracts of insurance against them constitutes marine, aviation and transport insurance business, motor vehicle insurance business or property insurance business, of provision whereby he assumes liability against the happening of personal accidents (whether fatal or not).

**95 Exception for bankers.**

A person who carries on pecuniary loss insurance business solely in the course of carrying on banking business and for the purposes of that business shall be excepted from the operation of section 60 of this Act so far as regards such insurance business, and the principal Act shall not apply to a person by reason only that, in the course of carrying on banking business and for the purposes of that business, he carries on such insurance business.

**96 Power of Industrial Assurance Commissioner to exempt Northern Irish collecting societies from provisions of Industrial Assurance Acts 1923 to 1958.**

- (1) The Industrial Assurance Commissioner may, on the application of a collecting society registered in Northern Ireland, by order exempt it from any provision of the Industrial Assurance Acts 1923 to 1958 if he is satisfied that the existence of a provision of an enactment of the Parliament of Northern Ireland renders it unnecessary for the first-mentioned provision to apply to the society.
- (2) The Industrial Assurance Commissioner may by order revoke an order made under the foregoing subsection with respect to a society, but the revocation shall not take effect until—
- (a) such period as may be specified in the order (which shall not be less than the four weeks next after the making thereof) has expired ; and
  - (b) notice that the order has been made has been published in the London and Edinburgh Gazettes ;

and where he does so he shall, within the three days next after doing so, give written notice to the society that he has done so.

**97 Construction (as to Northern Ireland) of certain references.**

In section 1(5) of the principal Act and in section 60(1)(c) of this Act, the expression " Acts " shall include Acts of the Parliament of Northern Ireland, and in sections 60(2)(b) and 87 of this Act and section 1(1A) of the Industrial Assurance Act 1923 references to the Friendly Societies Act 1896 shall include references to that Act as it applies in Northern Ireland and to any enactment of the Parliament of Northern Ireland re-enacting that Act (whether with or without modifications).

**98 Annual report by Board of Trade.**

The Board of Trade shall cause a general annual report of matters within the principal Act and this Part of this Act to be laid before Parliament.

**99 Amendments (of minor nature or consequential on Part II) of the principal Act and the Industrial Assurance Act 1923.**

The provisions of the principal Act specified in column 1 of Part I of Schedule 6 to this Act shall have effect subject to the amendments respectively specified in relation thereto in column 2 of that Part of that Schedule, and the provisions of the Industrial Assurance Act 1923 specified in column 1 of Part II of that Schedule shall have effect subject to the amendments respectively specified in relation thereto in column 2 of that Part of that Schedule (being, in each case, amendments of a minor nature or consequential on this Part of this Act).

**100 Repeal of certain provisions of section 18 of the Industrial Assurance Act 1923 and of Schedule 2 thereto.**

The following provisions of the Industrial Assurance Act 1923 shall cease to have effect, namely.—

- (a) section 18(1)(b) (basis of valuation of liabilities of collecting society or industrial assurance company);
- (b) in section 18(1)(g) (power of Industrial Assurance Commissioner to require collecting society to furnish information additional to that required to be furnished under section 28 of the Friendly Societies Act 1896, and industrial assurance company to furnish information additional to that required to be furnished under the principal Act), the words " all or any of such particulars as are mentioned in the Second Schedule to this Act, and " ; and
- (c) Schedule 2.

**101 Construction of references to enactments contained in the principal Act.**

Any reference in the principal Act or in an order under Schedule 2 thereto which is in force at the passing of this Act to an enactment contained in that Act which is amended by this Part of this Act shall, unless the context otherwise requires, be construed as referring to that enactment as so amended.

**102 Interpretation of Part II.**

- (1) Except where the context otherwise requires.—
  - (a) any reference in this Part of this Act to a provision of the principal Act which is amended by this Part of this Act shall be taken as referring to that provision as so amended;
  - (b) any expression to which a meaning is assigned by the principal Act for the purposes of that Act has that meaning also for the purposes of this Part of this Act.
- (2) In this Part of this Act, " registered society " means a society registered or deemed to be registered under the Industrial and Provident Societies Act 1965 or any corresponding enactment in force in Northern Ireland, " subsidiary " shall be construed in accordance with section 154 of the Companies Act 1948, " officer " includes (except where the context otherwise requires) a director, manager or secretary, and " director " includes any person occupying the position of director, by whatever name called.
- (3) A person shall not be deemed to be within the meaning of any provision of this Part of this Act a person in accordance with whose directions or instructions the directors of a

company or other body corporate or any of them are accustomed to act by reason only that the directors of the body act on advice given by him in a professional capacity.

- (4) References in this Part of this Act to a body corporate shall be construed as not including a corporation sole or a Scottish firm but as including a body incorporated outside Great Britain.

**103 Temporary limitations of effect of alteration of scope of the principal Act.**

Notwithstanding anything in this Act—

- (a) until such day as the Board of Trade may by order (made by statutory instrument) appoint, section 4 of the principal Act shall apply only to companies to which it would have applied had this Act not passed;
- (b) until the expiration of the period of one year beginning with the day on which this Act is passed, section 3 of the principal Act (separation of funds relating to certain classes of business) and section 11 thereof (amalgamations and transfers) shall have effect as if this Act had not passed ; and
- (c) until the expiration of the period of two years beginning with the day on which this Act is passed, section 13 of the principal Act shall have effect as if this Act (with the exception of sections 62 and 79 thereof) had not passed, and the references, in section 68(1)(b) of this Act, to general business shall be construed accordingly;

and nothing in this Act shall have effect in relation to the winding up of an insurance company commenced before the passing of this Act.

**104 Saving for discharge of liabilities lawfully assumed before passing of this Act.**

A company, society or body shall not be taken to carry on insurance business in contravention of section 60 of this Act by reason only of its carrying on business for the purpose of discharging liabilities lawfully assumed by it before the passing of this Act.

**105 Saving for certain orders under Schedule 2 to the principal Act.**

An order under paragraph 2, 3 or 11 of Schedule 2 to the principal Act which is in force at the passing of this Act shall have effect by virtue of this section but shall be subject to revocation or amendment as if made under section 92 of this Act.

**106 Revocation of provisions of companies' memorandums of association restricting carrying on of insurance business.**

Any provision of a company's memorandum of association that expressly precludes it from carrying on insurance business of any class shall cease to have effect.