



Companies Act 1967

1967 CHAPTER 81

PART II

AMENDMENTS OF LAW WITH RESPECT TO INSURANCE COMPANIES

Meaning of " the principal Act " for Purposes of Part II

58 Meaning of " the principal Act " for purposes of Part II.

In this Part of this Act, " the principal Act " means the Insurance Companies Act 1958.

Control of Entry into insurance Business and of its general Conduct

59 Classes of insurance business relevant for purposes of Part II, and definitions thereof.

- (1) The classes of insurance business relevant for the purposes of this Part of this Act are industrial assurance business, liability insurance business, marine, aviation and transport insurance business, motor vehicle insurance business, ordinary long-term insurance business, pecuniary loss insurance business, personal accident insurance business and property insurance business.
- (2) In this Part of this Act, " industrial assurance business " has the meaning assigned to it by section 1(2) of the Industrial Assurance Act 1923.
- (3) In this Part of this Act, " liability insurance business " means the business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, not being risks arising out of, or in connection with the use of, motor vehicles or out of, or in connection with the use of, vessels or aircraft or risks incidental to the construction, repair or docking of vessels or aircraft.
- (4) In this Part of this Act, " marine, aviation and transport insurance business " means the business of effecting and carrying out contracts of insurance—

Status: This is the original version (as it was originally enacted).

- (a) upon vessels or aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft;
 - (b) upon goods, merchandise or property of any description whatever on board of vessels or aircraft;
 - (c) upon the freight of, or any other interest in or relating to, vessels or aircraft;
 - (d) against damage arising out of, or in connection with, the use of vessels or aircraft, including third-party risks ;
 - (e) against risks incidental to the construction, repair or docking of vessels, including third-party risks;
 - (f) against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another), including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance ; or
 - (g) against any other risks insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing paragraphs.
- (5) In this Part of this Act, " motor vehicle insurance business " means the business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
- (6) In this Part of this Act " ordinary long-term insurance business " means business of any of the following kinds, namely.—
- (a) effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life ;
 - (b) effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class, being contracts that are expressed to be in effect for a period of not less than five years or without limit of time and either are not expressed to be terminable by the insurer before the expiration of five years from the taking effect thereof or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned; and
 - (c) effecting and carrying out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer, a sum or a series of sums is to become payable to the insured in the future, not being such contracts as fall within either of the foregoing paragraphs;
- but does not include industrial assurance business.
- (7) In this Part of this Act, " pecuniary loss insurance business " means the business of effecting and carrying out contracts of insurance against any of the following risks, namely.—
- (a) risks of loss to the persons insured arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due;
 - (b) risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them;

Status: This is the original version (as it was originally enacted).

- (c) risks of loss to the persons insured attributable to interruptions of the carrying on of business carried on by them or to reductions of the scope of businesses so carried on;
 - (d) risks of loss to the persons insured attributable to their incurring unforeseen expense; and
 - (e) risks neither falling within any of the foregoing paragraphs nor being of a kind such that the carrying on of the business of effecting and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class.
- (8) In this Part of this Act, " personal accident insurance business " means the business of effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class, not being contracts falling within subsection (6)(b) above.
- (9) In this Part of this Act, " property insurance business " means the business of effecting and carrying out contracts of insurance against risks of loss of, or damage to, material property, not being 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 or motor vehicle insurance business.

60 Restriction of carrying on insurance business.

- (1) No person shall carry on in Great Britain insurance business of a class relevant for the purposes of this Part of this Act (other than industrial assurance business) except—
- (a) a company incorporated, whether under the Companies Act 1948 or otherwise, which is authorised by or under the following provisions of this Part of this Act to carry on business of that class or a registered society which is so authorised to carry on business of that class;
 - (b) an unincorporated body of persons which is authorised by or under the said provisions to carry on business of that class, being a body which, immediately before 3rd November 1966, was carrying on in Great Britain insurance business (whether of that class or not);
 - (c) a body registered under the Acts relating to friendly societies or to trade unions ; or
 - (d) a member of Lloyd's, or of any other association of underwriters approved for the purposes of this Part of this Act by the Board of Trade.
- (2) No person shall carry on in Great Britain industrial assurance business except—
- (a) a company incorporated, whether under the Companies Act 1948 or otherwise, which is authorised by or under the following provisions of this Part of this Act to carry on such business or a registered society which is so authorised to carry on such business ; or
 - (b) a society registered under the Friendly Societies Act 1896, being a friendly society within the meaning of that Act.
- (3) No person shall carry on in the Isle of Man or any of the Channel Islands industrial assurance business except—
- (a) a company incorporated, whether under the Companies Act 1948 or otherwise, or a registered society ; or

Status: This is the original version (as it was originally enacted).

(b) such a society as falls within paragraph (b) of the last foregoing subsection.

(4) A person who carries on business in contravention of any of the foregoing subsections shall be guilty of an offence and liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;
- (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £200, or to both.

61 Authorisations for purposes of section 60.

(1) In the case of insurance business of each class relevant for the purposes of this Part of this Act (other than industrial assurance business), the following shall, by virtue of this subsection, be authorised to carry it on in Great Britain, namely.—

- (a) an incorporated company which, immediately before 3rd November 1966, was carrying it on in Great Britain ;
- (b) a registered society which, immediately before that day, was so carrying it on ; and
- (c) an unincorporated body of persons which, immediately before that day, was so carrying it on ;

(not being, as the case may be, a company, society or body that was then carrying on business in contravention of section 2(1) of the principal Act) and, in the case of industrial assurance business, the following shall, by virtue of this subsection, be authorised to carry it on in Great Britain, namely, —

- (i) an incorporated company which, immediately before 3rd November 1966, was carrying it on in Great Britain; and
- (ii) a registered society which, immediately before that day, was so carrying it on ;

(not being, as the case may be, a company or society that was then carrying it on in contravention of the said section 2(1).

(2) Subject to the following provisions of this Part of this Act, the Board of Trade may, in the case of insurance business of each class relevant for the purposes of this Part of this Act (other than industrial assurance business), authorise the following to carry it on in Great Britain, namely.—

- (a) an incorporated company ;
- (b) a registered society ; and
- (c) an unincorporated body which, immediately before 3rd November 1966, was carrying on in Great Britain insurance business (whether of that class or not);

and may, in the case of industrial assurance business, authorise an incorporated company and a registered society to carry it on in Great Britain.

62 Provisions for securing initial sufficiency of assets and capital of insurance companies.

(1) The Board of Trade shall not issue under the last foregoing section an authorisation with respect to a company, society or body unless they are satisfied—

- (a) in a case in which the company, society or body is, when the authorisation is applied for, carrying on (whether within or outside Great Britain) general business, and has completed its first financial year, that the value of its assets exceeds the amount of its liabilities by the relevant amount;

Status: This is the original version (as it was originally enacted).

(b) in any other case, that it has assets whose value amounts (after deduction, if it has liabilities, of the amount thereof) to not less than £50,000 ;
nor shall they so issue an authorisation with respect to a company having a share capital unless the amount paid up thereon is not less than £100,000.

(2) For the purposes of paragraph (a) of the foregoing subsection, the relevant amount, in the case of a company, society or body, is (subject to the next following subsection), in each of the cases set out in column 1 of the following Table, the amount specified in relation to that case in column 2 of that Table.

TABLE

Case	Relevant Amount
1. The general premium income of the company, society or body in its last preceding financial year did not exceed £250,000.	£50,000.
2. The said income in that year exceeded £250,000 but did not exceed £2,500,000.	One fifth of the said income in that year.
3. The said income in that year exceeded £2,500,000.	The aggregate of £500,000 and one tenth of the amount by which the said income in that year exceeded £2,500,000.

(3) In the case of a company, society or body whose last preceding financial year was not a period of twelve months (other than one which has not completed its second financial year and whose first financial year was a period of less than twelve months), the last foregoing subsection shall have effect with the substitution, for each number specified in the Table set out at the end thereof (other than 50,000 and 500,000), of one equal to the product derived by multiplying that number by the relevant fraction and, for each fraction so specified, of one equal to the quotient derived by dividing that fraction by the relevant fraction; and for the purposes of this subsection the relevant fraction is that whose numerator is the number of days in the company's, society's or body's last preceding financial year and whose denominator is 365.

(4) Subsection (2) (computation of liabilities and general premium income) of section 13 of the principal Act shall apply for the purposes of this section as it applies for the purposes of that.

(5) This section shall not apply to the issue of an authorisation to a company, society or body in a case in which the Board of Trade are satisfied that the purpose for which the authorisation is sought is to enable the company, society or body 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 cannot, in the absence of the authorisation, lawfully be undertaken by the company, society or body in the course of carrying on business in Great Britain.

63 Provisions for securing risks insured are capable of being borne.

The Board of Trade shall not, under section 61 of this Act, authorise a company, society or body to carry on insurance business of any class unless they are satisfied, as regards each class of risks against which, in the course of carrying on business, the company,

Status: This is the original version (as it was originally enacted).

society or body insures or proposes to insure persons, that adequate arrangements are in force or will be made for the reinsurance of risks of that class against which persons are, or are to be, insured by the company, society or body in the course of carrying on business or that it is justifiable not to make arrangements for that purpose.

64 Provisions for preventing unfit persons from being associated with insurance companies.

The Board of Trade shall not issue under section 61 of this Act an authorisation with respect to an incorporated company if it appears to them that—

- (a) an officer of the company or of a body corporate of which it is the subsidiary; or
- (b) a person who is a person in accordance with whose directions or instructions the directors of the company or of a body corporate of which it is the subsidiary (or any of them) are accustomed to act or who is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of a body corporate of which it is the subsidiary;

is not a fit and proper person to be associated with the company, nor shall they so issue an authorisation with respect to a registered society or an unincorporated body if it appears to them that an officer of the society or body is not a fit and proper person to be associated therewith.

65 Power of Board of Trade to impose requirements with respect to initial conduct of business.

- (1) Where the Board of Trade issue under section 61 of this Act an authorisation with respect to a company, society or body, they may, when they issue it, impose on the company, society or body all or any of the following requirements, namely.—
 - (a) a requirement that the company, society or body shall not make investments of a specified class and shall, before the expiration of a specified period (or such longer period as the Board may allow), realise investments of that class held by it immediately before the requirement is imposed;
 - (b) a requirement that assets of the company, society or body to a value not less at any time than the amount of its domestic liabilities at that time shall be maintained in the United Kingdom;
 - (c) a requirement that assets of the company, society or body of a specified description, free from any mortgage or charge and to a value not less at any time than whichever is the greater of the following amounts, that is to say, the amount of a specified proportion of the domestic liabilities of the company, society or body at that time and £50,000, shall be maintained in the United Kingdom and that those assets, or, in the case of any of them to which there are documents of title, those documents, shall be held in the custody of a person approved for the purposes of this section by the Board of Trade ;
 - (d) a requirement that the company, society or body shall, at specified times or intervals, furnish to the Board information about specified matters, being, if the Board so require, information verified in a specified manner.
- (2) A requirement imposed by virtue of paragraph (b) or (c) of the foregoing subsection may either be so framed as to come into effect immediately after the day on which it is imposed or be so framed as to come into effect after the expiration of a specified period (or such longer period as the Board of Trade may allow).

- (3) Assets of a company, society or body held in the custody of a person shall be taken to be held by him in compliance with a requirement imposed by virtue of paragraph (c) of subsection (1) above if, but only if, they are assets in whose case the company, society or body has given him written notice that they are to be held by him in compliance with such a requirement or they are assets into which assets in whose case the company, society or body has given him such written notice have, by any transaction or series of transactions, been transposed by him on the instructions of the company, society or body; and documents of title to assets of a company, society or body held in the custody of a person shall be taken to be held by him in compliance with such a requirement if, but only if, they are documents in whose case the company, society or body has given him notice that they are to be held by him in compliance with such a requirement.
- (4) A requirement imposed under this section shall continue in force for such period, not extending beyond the expiration of the period of five years beginning with the day on which it is imposed, as the Board may specify when they impose it.
- (5) The Board may rescind a requirement imposed under this section if it appears to them that it is no longer necessary for the requirement to continue in force, and may from time to time vary any such requirement (other than one imposed by virtue of paragraph (b) of subsection (1) above).
- (6) When the Board impose under subsection (1)(c) of this section a requirement on a company, society or body, or rescind or vary a requirement so imposed, they shall forthwith serve—
 - (a) except where the requirement is one imposed on a registered society (other than one registered in Northern Ireland), on the registrar of companies ;
 - (b) in the said excepted case, on the appropriate registrar as defined by section 73(1) of the Industrial and Provident Societies Act 1965;written notice stating that fact, and, in the case of a notice of the imposition of a requirement, setting out the terms of the requirement, in the case of a notice of the rescission of a requirement, identifying the requirement, and in the case of a notice of a variation of a requirement, identifying the requirement and setting out the terms of the variation.
- (7) A notice served in pursuance of the last foregoing subsection on the registrar of companies shall be open to inspection, and a copy thereof may be procured by any person on payment of such fee as the Board may direct; and every document purporting to be certified by the registrar of companies, or by a person appointed in that behalf by the President of the Board of Trade, to be a copy of such a notice shall be deemed to be a copy of that notice and shall be received in evidence as if it were the original notice, unless some variation between it and the original be proved.
- (8) Section 71(1) of the Industrial and Provident Societies Act 1965 (which empowers the Treasury to make regulations respecting, inter alia, the inspection of documents kept by the appropriate registrar under that Act) shall have effect as if the reference to documents so kept included a reference to notices served in pursuance of subsection (6) above on the appropriate registrar.
- (9) In this section, any reference to a domestic liability is a reference to a liability arising under a contract made in the United Kingdom, or under a contract of insurance made elsewhere, being a contract of insurance in whose case, if only one premium is payable thereunder, the premium, or, if more than one premium is payable thereunder, any of the premiums so payable, is payable or has been paid in the United Kingdom; and in computing the amount of any liabilities for the purposes of this section, all contingent

and prospective liabilities shall be taken into account, but not liabilities in respect of share capital.

66 Provisions relating to assets subject to certain requirements imposed under section 65.

- (1) No assets held in the custody of a person in compliance with a requirement imposed by virtue of paragraph (c) of subsection (1) of the last foregoing section, and no documents so held in compliance with a requirement so imposed shall, so long as the requirement is in force, be withdrawn from the custody of that person except with the written consent of the Board of Trade.
- (2) If a mortgage or charge is created by a company, society or body at a time when there is in force a requirement imposed on the company, society or body by virtue of paragraph (c) of subsection (1) of the last foregoing section, being a mortgage or charge conferring a security on any assets which are held in the custody of a person in compliance with the requirement or on any assets documents of title to which are so held in compliance with the requirement, the mortgage or charge shall, to the extent that it confers such a security, be void against the liquidator and any creditor of the company, society or body.

67 Power to impose restrictions on company benefiting by virtue of section 62(5).

- (1) An authorisation under section 61 of this Act in whose case section 62 of this Act does not apply to the issue thereof may contain provision imposing on the company, society or body with respect to which it is issued either or both of the following obligations, namely.—
 - (a) to refrain, in the course of carrying on business of the class to which the authorisation relates, from insuring persons other than of a specified class; and
 - (b) to refrain, as aforesaid, from insuring persons against risks other than of a specified class.
- (2) An obligation binding on a company, society or body by virtue of the foregoing subsection may be discharged by the Board of Trade if it appears to them to be no longer necessary for the obligation to continue in force or may be varied at any time by them.

68 Power of Board of Trade to restrict conduct of insurance business, and effect of exercise of that power.

- (1) The Board of Trade may, in the case of an insurance company to which the principal Act applies, direct that, as regards each class of business relevant for the purposes of this Part of this Act that it is by or under section 61 of this Act authorised to carry on, it shall, in carrying on business of that class, be subject to the restriction appropriate to the carrying on of business of that class if—
 - (a) it appears to the Board that the company has failed to satisfy an obligation to which it is subject by virtue of the principal Act or this Part of this Act;
 - (b) in a case in which the company is carrying on general business, the Board are not satisfied that it is not, by virtue of section 13(1) of the principal Act, to be deemed, for the purposes of section 222 of the Companies Act 1948, to be unable to pay its debts and, in a case in which it is not carrying on such business, they are not satisfied that the value of its assets exceeds the amount

Status: This is the original version (as it was originally enacted).

- of its liabilities (including all prospective and contingent ones, but excluding those in respect of share capital);
- (c) the Board are not satisfied, as regards a class of risks against which the company insures persons (not being one in the case of which, in the opinion of the Board, it is justifiable for there not to be in force arrangements for the reinsurance of risks of that class against which persons are insured by the company in the course of carrying on business), that adequate arrangements are in force for that purpose ; or
 - (d) there exists a ground on which the Board would, by section 64 of this Act, be prohibited from issuing, under section 61 of this Act, an authorisation with respect to the company if it were applied for.
- (2) The Board of Trade may, in the case of an insurance company to which the principal Act applies, direct that, as regards a class of business relevant for the purposes of this Part of this Act that it is, under section 61(2) of this Act, authorised to carry on, it shall, in carrying on business of that class be subject to the restriction appropriate to the carrying on of business of that class, if it appears to the Board that the company furnished to the Board, when seeking authorisation under that section for the carrying on of business of that class, misleading or inaccurate information.
- (3) Before exercising, with respect to a company, the power conferred by subsection (1) or (2) above, the Board shall serve on the company a written notice stating that they are considering exercising the power (specifying it) and.—
- (a) where the power in question is that conferred by subsection (1), specifying the ground on which they are considering exercising it and, if the ground is that specified in paragraph (a), (c) or (d) of that subsection, giving particulars thereof;
 - (b) where the power in question is that conferred by subsection (2), giving particulars of the ground on which they are considering exercising it;
- and inviting the company to make to the Board, within the period of one month from the date of the service of the notice, any representations that it desires to make with respect to the proposed exercise of the power; and the Board may exercise the power after the expiration of the said period, but before deciding whether or not to do so, shall take into consideration any representations so made by the company and, if it so requests, afford it an opportunity of being heard by the Board within that period.
- (4) For the purposes of this section.—
- (a) the restriction appropriate to the carrying on by an insurance company of industrial assurance business is that the company shall not effect a contract of insurance on human life or a contract to pay an annuity on human life;
 - (b) the restriction appropriate to the carrying on by an insurance company of liability insurance business is that the company shall not effect or vary any such contract of insurance as is mentioned in subsection (3) of section 59 of this Act;
 - (c) the restriction appropriate to the carrying on by an insurance company of marine, aviation and transport insurance business is that the company shall not enter into or vary any such contract as is mentioned in subsection (4) of that section ;
 - (d) the restriction appropriate to the carrying on by an insurance company of motor vehicle insurance business is that the company shall not enter into or vary any such contract as is mentioned in subsection (5) of that section;

Status: This is the original version (as it was originally enacted).

- (e) the restriction appropriate to the carrying on by an insurance company of ordinary long-term insurance business is that the company shall not effect a contract of insurance on human life or a contract to pay an annuity on human life or any such contract as is mentioned in paragraph (b) or (c) of subsection (6) of that section;
 - (f) the restriction appropriate to the carrying on by an insurance company of pecuniary loss insurance business is that the company shall not enter into or vary any such contract as is mentioned in subsection (7) of that section;
 - (g) the restriction appropriate to the carrying on by an insurance company of personal accident insurance business is that the company shall not enter into or vary any such contract as falls within subsection (8) of that section; and
 - (h) the restriction appropriate to the carrying on by an insurance company of property insurance business is that the company shall not enter into or vary any such contract as is mentioned in subsection (9) of that section.
- (5) An insurance company which contravenes a restriction to which it is subject by virtue of subsection (1) or (2) above shall be guilty of an offence and liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;
 - (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £200, or to both.
- (6) A direction given under this section by the Board of Trade may be withdrawn by them if it appears to them to be no longer necessary for the restriction subsisting by virtue thereof to continue in force.
- (7) Notice of the giving under this section of a direction and of the withdrawal of a direction so given shall be published by the Board of Trade in the London and Edinburgh Gazettes and in such other ways as appear to them expedient for informing the public.
- (8) Any notice to be served under this section on a person may be served by post, and a letter containing the notice shall be deemed to be properly addressed if it is addressed to that person at his last known residence or last known place of business in Great Britain.

69 Power of Board of Trade to revoke authorisation for purposes of section 60 on company's ceasing to carry on business.

- (1) Authorisation to a company, society or body, either under subsection (1) of section 61 of this Act or under subsection (2) of that section, to carry on in Great Britain insurance business of a class relevant for the purposes of this Part of this Act may be revoked by the Board of Trade if the company, society or body ceases to carry on in Great Britain such business of that class, and authorisation to a company, society or body under the said subsection (2) to carry on in Great Britain such business of a class so relevant may be so revoked if the company, society or body does not, before the expiration of twelve months beginning with the day next following that on which the authorisation is issued, commence to carry on in Great Britain such business of that class.
- (2) The revocation, under the foregoing subsection, of authorisation to carry on in Great Britain insurance business of a class shall be without prejudice to a subsequent issue, under section 61(2) of this Act, of authorisation to carry on in Great Britain such business of that class.

Alteration of Scope of the principal Act

70 Alteration of scope of the principal Act.

- (1) Subsection (1) of section 1 of the principal Act (which provides that, with certain exceptions, that Act shall apply to all insurance companies which carry on within Great Britain insurance business of all or any of the classes specified in that subsection) shall have effect with the omission of the words from " of all or any of the following classes " to the end of the subsection.
- (2) In consequence of the foregoing subsection and of the classification of insurance business effected by section 59 of this Act, the provisions of the principal Act specified in column 1 of Schedule 5 to this Act shall have effect subject to the amendments respectively specified in relation thereto in column 2 of that Schedule; and, for the purposes of those provisions, as amended by that Schedule, the expression " ordinary long-term insurance business " shall have the meaning assigned to it by section 59(6) of this Act.
- (3) Subsection (3) of the said section 1 (which requires certain companies carrying on insurance business outside Great Britain to be treated for the purposes of that Act as if they were carrying on such business in Great Britain) shall cease to have effect.

Accounts, business Statements and cognate Matters

71 Substitution of new provisions for those of section 4 (annual accounts and balance sheets) of the principal Act.

- (1) For section 4 (preparation of annual accounts and balance sheets) of the principal Act, there shall be substituted the following section:—
 - (1) Every insurance company to which this Act applies shall, with respect to each financial year of the company, prepare a revenue account for the year, a balance sheet as at the end of the year and a profit and loss account for the year or, in the case of a company not trading for profit, an income and expenditure account for the year.
 - (2) The contents of the documents required by the foregoing subsection to be prepared shall be such as may be prescribed, but regulations may provide for enabling information required to be given by such documents to be given instead in a note thereon or statement or report annexed thereto or may require there to be given in such a note, statement or report such information in addition to that given in the documents as may be prescribed.
 - (3) Regulations may, as respects such matters stated in such documents as aforesaid or in statements or reports annexed thereto as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the documents certificates of such matters as may be prescribed.
 - (4) If a form is prescribed for any such document as aforesaid or as that in which information authorised or required to be given in a statement or report annexed to any such document is to be given or for a certificate to be so annexed, the document shall be prepared, the information shall be given or, as the case may be, the certificate shall be framed, in that form.

Status: This is the original version (as it was originally enacted).

- (5) The Board of Trade may, on the application or with the consent of an insurance company, modify, in relation to that company, any of the requirements imposed by or by virtue of the foregoing provisions of this section for the purpose of adapting them to the circumstances of the company”.
- (2) For the purposes of section 8 (deposit of accounts, &c, with Board of Trade) of the principal Act, any reference to an account or balance sheet shall include any statement or report annexed thereto giving information authorised or required by virtue of section 4(2) of that Act to be so given and any certificate so annexed by virtue of section 4(3) of that Act.
- (3) In section 34(5) (power to alter forms) of the principal Act the reference to any form prescribed by regulations made by the Board of Trade under that Act shall not include a form so prescribed by virtue of section 4 of that Act.
- (4) In so far as any regulation made under section 4 of the principal Act as originally enacted could have been made under the section substituted therefor by this section, it shall not be invalidated by the substitution but shall have effect as if it had been made under the section so substituted.

72 Substitution of new provisions for those of section 9 (audit of accounts) of the principal Act.

- (1) For section 9 (audit of accounts) of the principal Act there shall be substituted the following section:—
 - (1) The accounts and balance sheets of every insurance company to which this Act applies shall be audited in the prescribed manner by a person of the prescribed description, and regulations made for the purposes of this section may apply to such companies the provisions of the Companies Acts 1948 to 1967 relating to audit, subject to such adaptations and modifications as may appear necessary or expedient.
 - (2) In the foregoing subsection, the reference to accounts and balance sheets shall include any statement or report annexed thereto giving information authorised or required by virtue of section 4(2) of this Act to be given in a statement or report so annexed”.
- (2) The proviso to subsection (3) of section 34 of the principal Act (which excepts regulations made under the said section 9 from the requirement of that subsection that a statutory instrument containing regulations under that Act shall be subject to annulment in pursuance of a resolution of either House of Parliament) shall not apply to regulations made under the section substituted for the said section 9 by this section.
- (3) In so far as any regulation made under section 9 of the principal Act as originally enacted could have been made under the section substituted therefor by this section, it shall not be invalidated by the substitution but shall have effect as if it had been made under the section so substituted.

73 Powers of Board of Trade and Industrial Assurance Commissioner to alter insurance companies' financial years.

- (1) The appropriate authority may extend or shorten, for the purposes of the principal Act, the duration of any financial year of an insurance company to which that Act applies.

- (2) In this section, " appropriate authority ", in relation to a company, means—
- (a) except in the case of a company which carries on in Great Britain no insurance business other than industrial assurance business, the Board of Trade; and
 - (b) in the said excepted case, the Industrial Assurance Commissioner.

74 Statements of business by insurance companies.

For section 7 of the principal Act (which requires a company carrying on accident insurance business to prepare annually in the prescribed form a statement of that business), there shall be substituted the following section:—

- (1) Classes of insurance business may be prescribed for the purposes of this section, and every insurance company to which this Act applies that carries on such business of a prescribed class shall annually prepare the prescribed statement of business of that class, being, if a form is prescribed for the statement, a statement in the prescribed form.
- (2) The Board of Trade may, on the application or with the consent of an insurance company, modify, in relation to that company, the requirements of the foregoing subsection for the purpose of adapting them to the circumstances of the company”.

75 Signing of accounts, of insurance companies.

- (1) Section 8(1) of the principal Act (which requires the deposit at the Board of Trade of four copies of an insurance company's accounts, &c, of which one shall be signed by the chairman and two directors of the company and by the principal officer of the company and, if the company has a managing director, by the managing director) shall have effect with the substitution, for the words from " signed by the chairman " to " the managing director ", of the words " signed by the secretary or manager, if any, and where there are more than two directors of the company by at least two of those directors, and where there are not more than two directors by all the directors ".
- (2) This section shall come into operation at the expiration of the period of three months beginning with the day on which this Act is passed.

76 Powers of Board of Trade and Industrial Assurance Commissioner to permit withholding from public of information harmful to insurance companies' businesses.

- (1) If, in the opinion of the appropriate authority, the disclosure of information contained in a statement or report annexed to a document prepared in pursuance of section 4(1) of the principal Act by an insurance company or in a statement prepared in pursuance of section 7 of that Act by such a company would be harmful to the business of the company or of any of its subsidiaries, that authority may dispense the company from complying with the obligation imposed by section 8(6) of that Act to forward a copy of the document containing the information to a shareholder or policy holder who applies for it.
- (2) A dispensation granted under the foregoing subsection with reference to a document shall operate to render inapplicable thereto so much of section 30(1) of the principal Act as lays open to inspection by any person the document or a certified copy thereof and entitles any person to procure copies of the document or of a certified copy thereof.

Status: This is the original version (as it was originally enacted).

- (3) In this section, " appropriate authority ", in relation to a document, means—
- (a) except in the case of a document relating only to industrial assurance business, the Board of Trade ; and
 - (b) in the said excepted case, the Industrial Assurance Commissioner.

77 Additional copy of accounts, to be deposited by industrial or provident society.

- (1) A registered society (other than one registered in Northern Ireland) shall, in addition to depositing with the Board of Trade (as required by subsection (1) of section 8 of the principal Act) four copies of each account, balance sheet, extract, statement or report required by that Act, deposit, within the time limited by virtue of that subsection for depositing them, a copy with the appropriate registrar, being a copy signed by the like persons as those by whom the copies deposited under that section are required to be signed.
- (2) Subsection (3) of the said section 8 (deposit with every revenue account and balance sheet of a company of any report on the affairs of the company submitted to its shareholders or policy holders in respect of the financial year to which the account and balance sheet relate) shall have effect in relation to the deposit by virtue of this section of accounts and balance sheets as it has effect in relation to the deposit by virtue of that section of accounts and balance sheets.
- (3) Section 71(1) of the Industrial and Provident Societies Act 1965 shall have effect as if the reference to documents kept by the appropriate registrar under that Act included a reference to documents deposited in pursuance of this section.
- (4) In this section, " appropriate registrar " has the meaning assigned to it by section 73(1) of the Industrial and Provident Societies Act 1965.

Actuarial Valuations

78 Reduction of maximum intervals between actuarial valuations required by section 5 of the principal Act.

As from the expiration of the period of two years beginning with the day on which this Act is passed, section 5(1)(a) of the principal Act (which, as amended by this Act, imposes on an insurance company to which that Act applies which carries on industrial assurance business or ordinary long-term insurance business the requirement that it shall, once in every five years or at such shorter intervals as may be prescribed by the deed of settlement of the company, or by its regulations or byelaws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary) shall have effect with the substitution, for the reference to five years, of a reference to three years.

Insolvency and Winding up

79 Margin of solvency for general business.

- (1) For subsection (1) of section 13 (margin of solvency) of the principal Act, there shall be substituted the following subsection:—

- “(1) An insurance company to which this Act applies, being a company which carries on (whether within or outside Great Britain) general business, shall be deemed for the purposes of section two hundred and twenty-two of the Companies Act 1948 (which authorises the court to wind up a company unable to pay its debts), to be unable to pay its debts if, at any time in its first financial year, the value of its assets does not exceed the amount of its liabilities by £50,000, or if, at any time after the expiration of that year, the value of its assets does not exceed the amount of its liabilities by the amount which is the relevant amount for the purposes of section 62(1)(a) of the Companies Act 1967 ; and the provisions of this Act as to winding up shall have effect accordingly”.
- (2) Subject to the provisions of the following subsection, the Board of Trade may, at any time before the expiration of the period of two years beginning with the day on which this Act is passed, direct that, until the expiration of such period (expiring not later than the expiration of the period aforesaid) as may be specified in the direction, the subsection substituted by the foregoing subsection shall, in its application to an insurance company so specified, being one which, immediately before the passing of this Act, was carrying on (whether within or outside Great Britain) business which then constituted general business for the purposes of the principal Act, have effect subject to such relaxative modifications as may be so specified.
- (3) The power conferred by the last foregoing subsection on the Board of Trade shall not be exercisable in relation to a company so long as a petition to wind it up is before the court.

80 Provision for securing that a company's solvency is maintained.

- (1) If it appears to the appropriate authority that the business of an insurance company to which the principal Act applies is being so conducted that there is a risk of the company's becoming insolvent, that authority may impose on the company all or any of the following requirements, namely:—
- (a) a requirement that the company shall not make investments of a specified class and shall, before the expiration of a specified period (or such longer period as the appropriate authority may allow), realise investments of that class held by it immediately before the requirement is imposed;
 - (b) a requirement that assets of the company to a value not less at any time than the amount of its domestic liabilities at that time shall be maintained in the United Kingdom;
 - (c) a requirement that assets of the company of a specified description, free from any mortgage or charge and to a value not less at any time than whichever is the greater of the following amounts, that is to say, the amount of a specified proportion of the domestic liabilities of the company, society or body at that time and £50,000, shall be maintained in the United Kingdom and that those assets, or, in the case of any of them to which there are documents of title, those documents, shall be held in the custody of a person approved for the purposes of this section by the appropriate authority ;
 - (d) a requirement that the company shall take all such steps as are requisite to secure that the aggregate of the premiums to be received by it in consideration of the undertaking by it, during a specified period beginning not earlier than twenty-eight clear days after the requirement is imposed, of liabilities in the course of carrying on business of a specified class (being one of the classes

Status: This is the original version (as it was originally enacted).

relevant for the purposes of this Part of this Act) shall not exceed a specified amount;

- (e) a requirement that the company shall, at specified times or intervals, furnish to the appropriate authority information about specified matters, being, if that authority so require, information verified in a specified manner.
- (2) Subsections (2) and (3) of section 65 of this Act shall have effect for the purposes of this section subject to the modifications that, in the said subsection (2), for the reference to paragraph (b) or (c) of section 65(1), there shall be substituted a reference to paragraph (b) or (c) of subsection (1) of this section, and, for the reference to the Board of Trade, there shall be substituted a reference to the appropriate authority, and, in the said subsection (3), for the reference to paragraph (c) of section 65(1), there shall be substituted a reference to paragraph (c) of subsection (1) of this section ; and section 66 of this Act shall have effect where a requirement is imposed by virtue of paragraph (c) of subsection (1) above as it does where a requirement is imposed by virtue of paragraph (c) of section 65(1) of this Act, subject to the modifications that, for any reference to paragraph (c) of the said section 65(1), there shall be substituted a reference to paragraph (c) of subsection (1) of this section, and for the reference to the Board of Trade, there shall be substituted a reference to the appropriate authority.
- (3) In relation to a company which carries on in Great Britain no insurance business other than industrial assurance business, paragraph (d) of subsection (1) above shall have effect with the substitution, for the words " business of a specified class (being one of the classes relevant for the purposes of this Part of this Act) ", of the words " industrial assurance business ".
- (4) A requirement imposed under this section may be rescinded by the appropriate authority if it appears to it that it is no longer necessary for the requirement to continue in force.
- (5) When the appropriate authority imposes under subsection (1)(c) of this section a requirement on a company or rescinds a requirement so imposed, it shall forthwith serve—
- (a) except where the requirement is one imposed on a registered society (other than one registered in Northern Ireland), on the registrar of companies ;
 - (b) in the said excepted case, on the appropriate registrar as defined by section 73(1) of the Industrial and Provident Societies Act 1965;
- written notice stating that fact and, in the case of a notice of the imposition of a requirement, setting out the terms of the requirement and, in the case of a notice of the rescission of a requirement, identifying the requirement.
- (6) Subsections (7) and (8) of section 65 of this Act shall have effect for the purposes of this section subject to the modification that, for any reference to a notice served in pursuance of subsection (6) of that section, there shall be substituted a reference to a notice served in pursuance of the last foregoing subsection.
- (7) In this section, " appropriate authority ", in relation to a company, means—
- (a) except in the case of a company which carries on in Great Britain no insurance business other than industrial assurance business, the Board of Trade ; and
 - (b) in the said excepted case, the Industrial Assurance Commissioner;
- and " domestic liabilities " shall be construed in accordance with section 65(9) of this Act.

81 Board of Trade's powers to petition for winding up of insurance company.

For subsection (2) of section 15 of the principal Act (which empowers the Board of Trade, with the leave of the court, to present a petition for the winding up, in accordance with the Companies Act 1948, of an insurance company subject to be Wound up under that Act, on the ground that it is unable to pay its debts or that an investigation under section 14 of the principal Act by an inspector appointed by the Board has been obstructed), there shall be substituted the following subsection:—

“(2) The Board of Trade may present a petition for the winding up, in accordance with the Companies Act 1948, of an insurance company to which this Act applies, being a company which may be wound up by the court under the provisions of the said Act of 1948, on the ground—

- (a) that the company is unable to pay its debts within the meaning of sections two hundred and twenty-two and two hundred and twenty-three of the said Act of 1948 ; or
- (b) that the company has failed to satisfy an obligation to which it is subject by virtue of section four, five or seven of this Act or that there has, in the case of the company, been a failure to comply with subsection (1), (3), (5) or (6) of section eight of this Act or with section nine of this Act or any provision applied by regulations made for the purposes of that section ; or
- (c) that the company, being under the obligation imposed by section one hundred and forty-seven of the said Act of 1948 with respect to the keeping of proper books of account, has failed to satisfy that obligation or to produce books kept in satisfaction of that obligation and that the Board of Trade are unable to ascertain the financial position of the company”.

Obligation to notify Changes in Officers and Control of Company and holding Company

82 Obligation of insurance company to notify Board of Trade of changes in officers and control of company and holding company.

- (1) Every insurance company to which the principal Act applies which is a body corporate shall, upon a person's becoming or ceasing to be, an officer of the company, or acquiring or relinquishing control of the company, be under obligation to notify the Board of Trade in writing of that fact and of his name, and every insurance company to which the principal Act applies which is not a body corporate shall, upon a person's becoming or ceasing to be, an officer of the company, be under a corresponding obligation.
- (2) Every insurance company to which the principal Act applies, being a body corporate which is the subsidiary of another such body, shall upon a person's becoming, or ceasing to be, an officer of, or acquiring or relinquishing control of, a body corporate which is its holding company (within the meaning of the Companies Act 1948), be under obligation to notify the Board of Trade in writing of that fact and of his name.
- (3) An obligation imposed on a company by this section must be fulfilled before the expiration of the period of fourteen days beginning with the day next following that on which both the fact of its being under the obligation and the identity of the person whose name must be notified in discharge of it are first known to the company.

Status: This is the original version (as it was originally enacted).

- (4) For the purposes of this section a person shall be taken to be in control of a company if he is entitled to exercise, or control the exercise, of one third or more of the voting power at any general meeting of the company.

83 *Obligation of person who acquires or relinquishes control of insurance company or insurance company's holding company to notify it of that fact.*

- (1) A person who acquires or relinquishes control of an insurance company to which the principal Act applies or, if it is a body corporate, of another body corporate which is its holding company (within the meaning of the Companies Act 1948) shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the company in writing of that fact and, if he fails so to do, shall be liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;
 - (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £200, or to both.
- (2) Subsection (4) of the last foregoing section shall have effect for the purpose of this section as it has effect for the purposes of that section.

Penalization of furnishing false Information

84 *Penalization of furnishing false information under Part II or the principal Act.*

- (1) A person who—
- (a) for the purpose of obtaining the issue of an authorisation under section 61 of this Act or in purported compliance with a requirement imposed under section 65 or 80 of this Act to furnish information, furnishes information which he knows to be false in a material particular or recklessly furnishes information which is so false; or
 - (b) causes or permits to be included in—
 - (i) any account, balance-sheet, abstract or statement whereof copies are, by section 8 of the principal Act, required to be deposited with the Board of Trade;
 - (ii) any statement, agreement, deed or report whereof a certified copy is, by section 12 of that Act, required to be so deposited ; or
 - (iii) any statement or declaration which is, by the last-mentioned section, required to be so deposited ;
any statement which he knows to be false in a material particular or recklessly causes or permits to be so included any statement which is so false ;
- shall be guilty of an offence.
- (2) A person guilty of an offence under this section shall be liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;
 - (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £200, or to both.

Penalties and legal Proceedings

85 Penalty for non-compliance with Part II or the principal Act.

- (1) An insurance company which makes default in complying with a requirement of this Part of this Act, being a default for which no express penalty is provided, or makes, after the passing of this Act, default in complying with a requirement of the principal Act shall be guilty of an offence and liable, on summary conviction, to a fine not exceeding £200.
- (2) Section 26(2) of the principal Act (default by a company in complying with a requirement of that Act, if continued for three months after notice thereof, to be a ground for winding up the company) shall cease to have effect.

86 Penalty on industrial assurance company for noncompliance with enactments relating to industrial assurance.

- (1) An industrial assurance company (within the meaning of the Industrial Assurance Act 1923) which, after the passing of this Act.—
 - (a) contravenes or fails to comply with any of the provisions of the Industrial Assurance Act 1923, the Industrial Assurance and Friendly Societies Act 1948 or Part VI of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951, of regulations made for the purposes of section 8 of the said Act of 1948 or of regulations made under section 57 of the said Act of 1951;
 - (b) contravenes or fails to comply with any directions given under the Industrial Assurance Act 1923 by the Industrial Assurance Commissioner;
 - (c) contravenes the proviso to section 1(1) of the Industrial Assurance and Friendly Societies Act 1929 (which proviso limits the sums which may be insured or paid for funeral expenses);
 - (d) fails to comply with a claim made in accordance with the provisions of subsection (1) of section 3 (rights of owners of certain endowment policies) of the last-mentioned Act; or
 - (e) issues such a premium receipt book as is mentioned in subsection (3) of the last-mentioned section which does not comply with the provisions of that subsection;shall, subject to the next following subsection, be guilty of an offence.
- (2) Such a company shall not be guilty of an offence under this section consisting in its insuring in contravention of subsection (2) of section 2 of the Industrial Assurance and Friendly Societies Act 1948 (power to insure life of parent or grandparent for not more than £30) if it is proved that, owing to any false representation on the part of the proposer, the company did not know that the insurance was in contravention of that subsection.
- (3) A company guilty of an offence under this section shall be liable, on summary conviction, to a fine not exceeding £200.
- (4) So far as regards section 3(1) of the Industrial Assurance and Friendly Societies Act 1929, this section shall not prejudice any liability of a company subsisting otherwise than by virtue of this section.

87 Penalty on friendly society for offence under Industrial Assurance Act 1923.

The maximum penalty that may be inflicted on a society registered under the Friendly Societies Act 1896, being a friendly society within the meaning of that Act, for an offence under the Industrial Assurance Act 1923 committed after the passing of this Act shall, instead of being a fine not exceeding £100 or, in the case of a continuing offence, a fine not exceeding £50 a day during which the offence continues, be a fine not exceeding £200; and, accordingly, section 39(1) of the said Act of 1923 shall, in relation to an offence under that Act so committed by a society so registered, being such a friendly society as aforesaid, have effect with the substitution, for the proviso thereto, of the following proviso:—

“Provided that the maximum penalty that may be inflicted for an offence under this Act shall be a fine not exceeding £200”.

88 Proceedings against unincorporated bodies for offences under Part II.

- (1) Proceedings for an offence alleged to have been committed under this Part of this Act by an unincorporated body shall be brought in the name of that body (and not in that of any of its members), and for the purposes of any such proceedings, any rules of court relating to the service of documents shall have effect as if that body were a corporation.
- (2) A fine imposed on an unincorporated body on its conviction of an offence under this Part of this Act shall be paid out of the funds of that body.
- (3) Section 33 of the Criminal Justice Act 1925 (as amended by section 15(7) of the Justices of the Peace Act 1949) and Schedule 2 to the Magistrates' Courts Act 1952 (procedure on charge of offence against a corporation) shall have effect in a case in which an unincorporated body is charged in England or Wales with an offence under this Part of this Act in like manner as they have effect in the case of a corporation so charged.
- (4) In relation to any proceedings on indictment in Scotland for an offence alleged to have been committed under this Part of this Act by an unincorporated body, section 40 of the Criminal Justice (Scotland) Act 1949 (proceedings on indictment against bodies corporate) shall have effect as if the said body were a body corporate.

89 Criminal liability of directors,.

- (1) Where an offence under this Part of this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and be liable to be proceeded against and punished accordingly.
- (2) For the purposes of the foregoing subsection, a person shall be deemed to be a director of a body corporate if he is a person in accordance with whose directions or instructions the directors of the body or any of them act.

90 Application of certain provisions of Part I to summary proceedings in respect of offences under Part II.

Subsections (2) to (5) (both inclusive) of section 49 of this Act shall apply to, and in connection with, summary proceedings for offences under this Part of this Act and to informations relating to offences thereunder which are triable summarily as they apply to, and in connection with, such proceedings for offences under the Companies Act 1948 and Part I of this Act and to informations relating to offences thereunder that are triable summarily, but subject to the modification of the inclusion, after the references to the Board of Trade, of references to the Industrial Assurance Commissioner.

91 Restriction of institution of proceedings in respect of offences under Part II.

Proceedings in respect of an offence under this Part of this Act shall not, in England or Wales, be instituted except by, or with the consent of, the Board of Trade, the Industrial Assurance Commissioner or the Director of Public Prosecutions.

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.—

Status: This is the original version (as it was originally enacted).

- (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

Status: This is the original version (as it was originally enacted).

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.

Extent of Part II and Schedules 5 and 6

107 Northern Ireland.

This Part of this Act, and Schedules 5 and 6 thereto, shall not extend to Northern Ireland.

108 The Isle of Man and the Channel Islands.

- (1) The provisions of this Act specified in subsection (3) below shall extend to the Isle of Man subject to such of the modifications specified in section 103 of the Friendly Societies Act 1896 as are relevant in the circumstances; and, notwithstanding anything in section 11 of the Petty Sessions and Summary Jurisdiction Act 1927 (an Act of Tynwald), a complaint relating to an offence under section 60 or 86 of this Act which is triable by a court of summary jurisdiction in the Isle of Man may be so tried if it is made at any time within three years after the commission of the offence and within twelve months after the date on which evidence sufficient in the opinion of the Attorney General of the Isle of Man to justify the proceedings comes to his knowledge, and for this purpose a certificate of the said Attorney General as to the date on which such evidence as aforesaid came to his knowledge shall be conclusive evidence.
- (2) The provisions of this Act specified in the following subsection shall extend to the Bailiwick of Jersey subject to such of the modifications specified in section 104(1) of the Friendly Societies Act 1896 as are relevant in the circumstances and to the Bailiwick of Guernsey subject to such of the modifications specified in section 104(2) of that Act as are so relevant.
- (3) The provisions of this Act referred to in subsections (1) and (2) above are the following, namely—
 - (a) subsection (3) of section 60 and subsection (4) thereof so far as it relates to carrying on business in contravention of the first-mentioned subsection ;
 - (b) sections 86 and 87;
 - (c) section 89, so far as it relates to offences under subsection (4) of section 60 consisting in carrying on business in contravention of subsection (3) thereof and offences under section 86;
 - (d) section 90, so far as it applies section 49(2) to offences specified in the last foregoing paragraph;
 - (e) section 96, so far as it relates to the Industrial Assurance Act 1923 ;
 - (f) section 97;
 - (g) section 99 and Schedule 6, so far as they relate to the Industrial Assurance Act 1923 ;
 - (h) section 100;
 - (i) section 102(2), so far as it defines " registered society " and " director ", and section 102(3).