



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART XIX

LLOYD'S

Power to apply Act to Lloyd's underwriting

316 Direction by Authority.

- (1) The general prohibition or (if the general prohibition is not applied under this section) a core provision applies to the carrying on of an insurance market activity by—
 - (a) a member of the Society, or
 - (b) the members of the Society taken together,only if the Authority so directs.
- (2) A direction given under subsection (1) which applies a core provision is referred to in this Part as “an insurance market direction”.
- (3) In subsection (1)—

“core provision” means a provision of this Act mentioned in section 317;

and

“insurance market activity” means a regulated activity relating to contracts of insurance written at Lloyd's.
- (4) In deciding whether to give a direction under subsection (1), the Authority must have particular regard to—
 - (a) the interests of policyholders and potential policyholders;
 - (b) any failure by the Society to satisfy an obligation to which it is subject as a result of a provision of the law of another EEA State which—
 - (i) gives effect to any of the insurance directives; and
 - (ii) is applicable to an activity carried on in that State by a person to whom this section applies;

Status: Point in time view as at 01/04/2002.

Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Power to apply Act to Lloyd's underwriting is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (c) the need to ensure the effective exercise of the functions which the Authority has in relation to the Society as a result of section 315.
- (5) A direction under subsection (1) must be in writing.
- (6) A direction under subsection (1) applying the general prohibition may apply it in relation to different classes of person.
- (7) An insurance market direction—
 - (a) must specify each core provision, class of person and kind of activity to which it applies;
 - (b) may apply different provisions in relation to different classes of person and different kinds of activity.
- (8) A direction under subsection (1) has effect from the date specified in it, which may not be earlier than the date on which it is made.
- (9) A direction under subsection (1) must be published in the way appearing to the Authority to be best calculated to bring it to the attention of the public.
- (10) The Authority may charge a reasonable fee for providing a person with a copy of the direction.
- (11) The Authority must, without delay, give the Treasury a copy of any direction which it gives under this section.

Commencement Information

- II** S. 316 wholly in force at 1.12.2001; s. 316 not in force at Royal Assent see s. 431(2); s. 316(1) in force for specified purposes at 18.6.2001 by [S.I. 2001/1820](#), [art. 2](#), [Sch.](#); s. 316 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

317 The core provisions.

- (1) The core provisions are Parts V, X, XI, XII, XIV, XV, XVI, XXII and XXIV, sections 384 to 386 and Part XXVI.
- (2) References in an applied core provision to an authorised person are (where necessary) to be read as references to a person in the class to which the insurance market direction applies.
- (3) An insurance market direction may provide that a core provision is to have effect, in relation to persons to whom the provision is applied by the direction, with modifications.

318 Exercise of powers through Council.

- (1) The Authority may give a direction under this subsection to the Council or to the Society (acting through the Council) or to both.
- (2) A direction under subsection (1) is one given to the body concerned—
 - (a) in relation to the exercise of its powers generally with a view to achieving, or in support of, a specified objective; or

Status: Point in time view as at 01/04/2002.

Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Power to apply Act to Lloyd's underwriting is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) in relation to the exercise of a specified power which it has, whether in a specified manner or with a view to achieving, or in support of, a specified objective.
- (3) “Specified” means specified in the direction.
- (4) A direction under subsection (1) may be given—
 - (a) instead of giving a direction under section 316(1); or
 - (b) if the Authority considers it necessary or expedient to do so, at the same time as, or following, the giving of such a direction.
- (5) A direction may also be given under subsection (1) in respect of underwriting agents as if they were among the persons mentioned in section 316(1).
- (6) A direction under this section—
 - (a) does not, at any time, prevent the exercise by the Authority of any of its powers;
 - (b) must be in writing.
- (7) A direction under subsection (1) must be published in the way appearing to the Authority to be best calculated to bring it to the attention of the public.
- (8) The Authority may charge a reasonable fee for providing a person with a copy of the direction.
- (9) The Authority must, without delay, give the Treasury a copy of any direction which it gives under this section.

Commencement Information

- I2** S. 318 wholly in force at 1.12.2001; s. 318 not in force at Royal Assent see s. 431(2); s. 318(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, Sch.; s. 318 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, art. 2(1)

319 Consultation.

- (1) Before giving a direction under section 316 or 318, the Authority must publish a draft of the proposed direction.
- (2) The draft must be accompanied by—
 - (a) a cost benefit analysis; and
 - (b) notice that representations about the proposed direction may be made to the Authority within a specified time.
- (3) Before giving the proposed direction, the Authority must have regard to any representations made to it in accordance with subsection (2)(b).
- (4) If the Authority gives the proposed direction it must publish an account, in general terms, of—
 - (a) the representations made to it in accordance with subsection (2)(b); and
 - (b) its response to them.
- (5) If the direction differs from the draft published under subsection (1) in a way which is, in the opinion of the Authority, significant—

Status: Point in time view as at 01/04/2002.

Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Power to apply Act to Lloyd's underwriting is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) the Authority must (in addition to complying with subsection (4)) publish details of the difference; and
 - (b) those details must be accompanied by a cost benefit analysis.
- (6) Subsections (1) to (5) do not apply if the Authority considers that the delay involved in complying with them would be prejudicial to the interests of consumers.
- (7) Neither subsection (2)(a) nor subsection (5)(b) applies if the Authority considers—
 - (a) that, making the appropriate comparison, there will be no increase in costs; or
 - (b) that, making that comparison, there will be an increase in costs but the increase will be of minimal significance.
- (8) The Authority may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).
- (9) When the Authority is required to publish a document under this section it must do so in the way appearing to it to be best calculated to bring it to the attention of the public.
- (10) “Cost benefit analysis” means an estimate of the costs together with an analysis of the benefits that will arise—
 - (a) if the proposed direction is given; or
 - (b) if subsection (5)(b) applies, from the direction that has been given.
- (11) “The appropriate comparison” means—
 - (a) in relation to subsection (2)(a), a comparison between the overall position if the direction is given and the overall position if it is not given;
 - (b) in relation to subsection (5)(b), a comparison between the overall position after the giving of the direction and the overall position before it was given.

Status:

Point in time view as at 01/04/2002.

Changes to legislation:

Financial Services and Markets Act 2000, Cross Heading: Power to apply Act to Lloyd's underwriting is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.