



Insurance Companies Act 1958

1958 CHAPTER 72

Accounts, etc.

3 Separation of funds relating to certain classes of business

(1) Subject to the provisions of this Act, where an insurance company to which this Act applies—

- (a) carries on, together with other business, insurance business of one only of the classes to which this section applies, or
- (b) carries on, with or without other business, insurance business of two or more of the said classes,

the receipts of that class of insurance business, or of each of those classes of insurance business, as the case may be, shall be entered in a separate account and shall be carried to and form a separate insurance fund with an appropriate name:

Provided that nothing in this subsection shall require the investments of any such fund to be kept separate from the investments of any other fund.

(2) Subject as aforesaid, a fund of any particular class—

- (a) shall be as absolutely the security of the policy holders of that class as though it belonged to a company carrying on no other business than insurance business of that class;
- (b) shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of insurance of that class; and
- (c) shall not be applied, directly or indirectly, for any purposes other than those of the class of business to which the fund is applicable.

(3) This section shall not apply in the case of a company carrying on life assurance business or industrial assurance business and established before the ninth day of August, eighteen hundred and seventy, by the terms of whose deed of settlement the whole of the profits of all the business carried on by the company are paid exclusively to the life policy holders, and on the face of whose life policies there distinctly appears the liability, in respect of the other business, of the life assurance fund or the industrial

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assurance fund, or, in the case of a company carrying on both life and industrial assurance business, of either or both of those funds, as the case may be.

- (4) Nothing in paragraph (b) of subsection (2) of this section shall affect the liability of the life assurance fund or the industrial assurance fund of a company established before the ninth day of August, eighteen hundred and seventy, for contracts entered into by the company before that date.
- (5) This section applies to insurance business of the following classes, namely, life assurance business, industrial assurance business, bond investment business and employers' liability insurance business.

4 Preparation of annual accounts and balance sheets

Every insurance company to which this Act applies shall, at the expiration of each financial year of the company, prepare in the prescribed form a revenue account for the year, a balance sheet and, except where the company carries on insurance business of one class only and no other business, a profit and loss account.

5 Periodic investigation of certain companies by actuary

- (1) Every insurance company to which this Act applies, being a company which carries on life assurance business, industrial assurance business or bond investment business.—
 - (a) 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, and
 - (b) when such an investigation has been made, or when at any other time an investigation into the financial condition of the company has been made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary's report of the investigation to be made in the prescribed form:

Provided that, in the case of a mutual company carrying on life assurance business or industrial assurance business whose profits are allocated to members wholly or mainly by annual abatements of premium, the abstract of the actuary's report may be made at intervals not exceeding five years.

- (2) Where under the foregoing subsection an insurance company causes an abstract to be made of the report of an actuary on his investigation into the financial condition of the company, the company shall prepare in the prescribed form a statement of its insurance business at the date to which the accounts of the company are made up for the purposes of the investigation:

Provided that if the investigation is made annually, the company may prepare such a statement at any time, so that it be made at least once in every five years.

6 Statement of business by Committee of Lloyd's, etc.

- (1) The Committee of Lloyd's, and the managing body of every association of underwriters approved by the Board of Trade under and for the purposes of subsection (6) of section one of this Act, shall deposit every year with the Board a statement in the prescribed form summarising the extent and character of the insurance

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business done by the members of Lloyd's or of the association, as the case may be, in the twelve months to which the statement relates.

- (2) Regulations made for the purposes of this section may require the statement to deal separately with such classes or descriptions of business as may be specified in the regulations.

7 Statement of business by accident insurance company

Every insurance company to which this Act applies, being a company which carries on accident insurance business, shall annually prepare in the prescribed form a statement of that business.

8 Deposit of accounts, etc., with Board of Trade

- (1) Every account, balance sheet, abstract or statement required by the foregoing provisions of this Act (other than section six thereof) to be made shall be printed, and four copies thereof, one of which 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 be deposited at the Board of Trade within six months after the close of the period to which the account, balance sheet, abstract or statement relates:

Provided that, if in any case it is made to appear to the Board that the circumstances are such that a longer period than six months should be allowed, the Board may extend that period by such period not exceeding three months as they think fit.

- (2) The Board of Trade shall consider the documents deposited under the foregoing subsection, and if any such document appears to the Board to be inaccurate or incomplete in any respect the Board shall communicate with the company with a view to the correction of any such inaccuracies and the supply of deficiencies.
- (3) There shall be deposited with every revenue account and balance sheet of a company any report on the affairs of the company submitted to the shareholders or policy holders of the company in respect of the financial year to which the account and balance sheet relate.
- (4) Where an insurance company registered under the Companies Act, 1948, or under the former Companies Acts, in any year deposits its accounts and balance sheet in accordance with the provisions of this section, then, if the company at the same time sends a copy of the accounts and balance sheet to the registrar of companies.—
 - (a) section one hundred and twenty-seven of the said Act of 1948 (which requires certain documents to be annexed to the annual return made by a company) shall not then apply to that company, and
 - (b) the copy of the accounts and balance sheet so sent shall be dealt with in all respects as if it had been sent in compliance with the said section one hundred and twenty-seven.
- (5) In the case of a mutual company such as is mentioned in the proviso to subsection (1) of section five of this Act, the company shall, where the abstract required by the said subsection (1) is not made annually, include with the copies of each such abstract deposited under this section particulars as to the rates of abatement of premiums applicable to different classes or series of assurances allowed in each year during

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the period which has elapsed since copies of such an abstract were previously so deposited.

- (6) A printed copy of the accounts, balance sheet, abstract or statement last deposited under this section shall on the application of any shareholder or policy holder of the company be forwarded to him by the company by post or otherwise.

9 Audit of accounts

Where the accounts of an insurance company to which this Act applies are not subject to audit in accordance with the provisions of the Companies Act, 1948, or the Companies Clauses Consolidation Act, 1845, relating to audit, the accounts of the company shall be audited annually in the prescribed manner, and regulations made for the purposes of this section may apply to any such company the provisions of the said Act of 1948 relating to audit, subject to such adaptations and modifications as may appear necessary or expedient.

10 Accounts, etc., to be laid before Parliament

The Board of Trade shall lay annually before Parliament the accounts, balance sheets, abstracts, statements and other documents under this Act, or purporting to be under this Act, deposited with them during the preceding year, except reports on the affairs of insurance companies submitted to the shareholders or policy holders thereof, and may append to such accounts, balance sheets, abstracts, statements or other documents any note of the Board thereon and any correspondence in relation thereto.