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STATUTORY INSTRUMENTS

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**1994 No. 1696**

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

**PART II**

**AMENDMENTS OF 1982 ACT**

**CHAPTER I**

*RESTRICTION ON CARRYING ON INSURANCE BUSINESS*

*Withdrawal of authorisation*

**Withdrawal of authorisation in respect of new business**

**10.**—(1) For paragraph (aa) of subsection (2) of section 11 of the 1982 Act<sup>(1)</sup> (withdrawal of authorisation in respect of new business) substitute—

- “(aa) that the company is a UK company and it appears to the Secretary of State that the company has failed to satisfy an obligation to which it is subject by virtue of any provision of the law of another EEA State which—
- (i) gives effect to the general or long term insurance Directives; or
  - (ii) is otherwise applicable to the insurance activities of the company in that State;
- (ab) that the company is a UK or non-EC company and it appears to the Secretary of State that any of the criteria of sound and prudent management is or has not been fulfilled, or may not be or may not have been fulfilled, in respect of the company.”

(2) In subsection (2) of section 12 of that Act (notices of withdrawal under section 11), for the words from “on the ground” to “company” substitute the words “on either of the grounds set out in subsection (2A) below”.

(3) After that subsection insert—

- “(2A) The grounds referred to in subsection (2) above are—
- (a) that the company is a UK or non-EC company and it appears to the Secretary of State that the second or third criterion of sound and prudent management is or has not been fulfilled, or may not be or may not have been fulfilled, in respect of the company; and
  - (b) that there exists a ground on which the Secretary of State would be prohibited by section 7(3), 8(2) or 9(5) above from issuing an authorisation to the company.”

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<sup>(1)</sup> Paragraph (aa) was inserted by [S.I. 1990/1333](#), reg 8(1) and amended by [S.I. 1993/174](#), reg 2.