
STATUTORY INSTRUMENTS

1994 No. 1696

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

PART II

AMENDMENTS OF 1982 ACT

CHAPTER VI

SUPPLEMENTARY PROVISIONS

Meaning of “controller” etc.

52. After section 96B of the 1982 Act(1) insert—

“Meaning of ‘controller’ etc.

96C.—(1) In this Act ‘controller’, in relation to an insurance company, means—

- (a) a managing director of the company or of a body corporate of which the company is a subsidiary;
- (b) a chief executive of the company or of a body corporate, being an insurance company, of which the company is a subsidiary;
- (c) a person in accordance with whose directions or instructions the directors of the company or of a body corporate of which it is a subsidiary are accustomed to act;
- (d) in the case of UK company, a person who satisfies the requirements of subsection (2) below; or
- (e) except in the case of a UK company, a person who either alone or with any associate or associates is entitled to exercise, or control the exercise of, 15 per cent. or more of the voting power at any general meeting of the company or of a body corporate of which it is a subsidiary.

(2) A person satisfies the requirements of this subsection in relation to a UK company if, either alone or with any associate or associates—

- (a) he holds 10 per cent. or more of the shares in the company or another company of which it is a subsidiary undertaking;
- (b) he is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power at any general meeting of the company or another company of which it is a subsidiary undertaking; or
- (c) he is able to exercise a significant influence over the management of the company or another company of which it is such an undertaking by virtue of—
 - (i) a holding of shares in; or

(1) Section 96B was inserted by [S.I. 1990/1333](#), reg 4 and amended by [S.I. 1992/2890](#), reg 9(5).

- (ii) an entitlement to exercise, or to control the exercise of, the voting power at any general meeting of,
the company or, as the case may be, that other company.
- (3) In this Act—
- ‘shareholder controller’ means a person who is a controller of a UK company by virtue of subsection (2) above;
- ‘10 per cent. shareholder controller’ means a shareholder controller in whose case the percentage referred to in subsection (2) above is 10 or more but less than 20;
- ‘20 per cent. shareholder controller’ means a shareholder controller in whose case that percentage is 20 or more but less than 33;
- ‘33 per cent. shareholder controller’ means a shareholder controller in whose case that percentage is 33 or more but less than 50;
- ‘50 per cent. shareholder controller’ means a shareholder controller in whose case that percentage is 50;
- ‘majority shareholder controller’ means a shareholder controller whose shareholding is such that the UK company is his subsidiary undertaking.
- (4) For the purpose of determining for the purposes of this Act whether any person is a controller of an insurance company or is a shareholder controller, or a shareholder controller of any particular description, of a UK company, ‘associate’ means, subject to subsection (5) below—
- (a) the wife or husband or minor son or daughter of that person;
- (b) the trustees of any settlement under which that person has a life interest in possession, or, in Scotland, a life interest;
- (c) any company of which that person is a director;
- (d) any person who is an employee or partner of that person;
- (e) if that person is a company—
- (i) any director of that company;
- (ii) any subsidiary undertaking of that company;
- (iii) any director or employee of any such subsidiary undertaking; and
- (f) if that person has made an agreement or arrangement with any other person—
- (i) with respect to the acquisition, holding or disposal of shares or other interests in the company concerned or another company of which it is a subsidiary undertaking; or
- (ii) under which they undertake to act together in exercising their voting power in relation to the company concerned or another company of which it is such an undertaking, that other person.
- (5) For the purpose of determining for the purposes of this Act whether any person is a controller of an insurance company other than a UK company, subsection (4) above shall have effect as if—
- (a) paragraphs (b) and (f) were omitted; and
- (b) in paragraph (e), for the words ‘subsidiary undertaking’, in both places where they occur, there were substituted the word ‘subsidiary’.
- (6) In this section—

‘settlement’ includes any disposition or arrangement under which property is held in trust;

‘share’ has the same meaning as in Part VII of the Companies Act or Part VIII of the Companies (Northern Ireland) Order 1986⁽²⁾;

‘son’ includes stepson and ‘daughter’ includes stepdaughter.

(7) Any reference in this section to a UK or non-EC company includes a reference to a company which, if any authorisation sought by it were issued, would be such a company.”

(2) [S.I. 1986/1032 \(N.I.6\)](#).