2002 No. 2707

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2002

Made - - - - -	*28th October 2002*
Laid before Parliament	*29th October 2002*
Coming into force - -	*19th January 2003*

The Treasury, in exercise of the powers conferred upon them by paragraph 9 of Schedule 6 to, and section 428(3) of, the Financial Services and Markets Act 2000(**a**), hereby make the following Order:

Citation and commencment

1. This Order may be cited as the Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2002 and comes into force on 19th January 2003.

Claims representatives

2. After paragraph 2 of Schedule 6 to the Financial Services and Markets Act 2000 (threshold conditions) insert—

"Appointment of claims representatives

2A.—(1) If it appears to the Authority that—

(a) the regulated activity that the person concerned is carrying on, or is seeking to carry on, is the effecting or carrying out of contracts of insurance, and

(b) contracts of insurance against damage arising out of or in connection with the use of motor vehicles on land (other than carrier's liability) are being, or will be, effected or carried out by the person concerned,

that person must have a claims representative in each EEA State other than the United Kingdom.

(2) For the purposes of sub-paragraph (1)(b), contracts of reinsurance are to be disregarded.

(3) A claims representative is a person with responsibility for handling and settling claims arising from accidents of the kind mentioned in Article 1(2) of the fourth motor insurance directive.

(**a**) 2000 c. 8. Schedule 6 has been amended by S.I. 2001/2507 and S.I. 2002/682.

(4) In this paragraph "fourth motor insurance directive" means Directive 2000/26/EC of the European Parliament and of the Council of 16th May 2000 on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives 73/239/EEC and 88/357/EEC.".

Nick Ainger
Philip Woolas
28th October 2002 — Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order varies the threshold conditions in Schedule 6 to the Financial Services and Markets Act 2002, which authorised persons, and applicants for authorisation, under that Act must satisfy.

Article 2 sets out an additional threhold condition that must be satisfied by insurers who cover certain types of motor vehicle liability. This condition requires them to appoint claims representatives in each State in the European Economic Area (other than the United Kingdom) to handle and settle claims arising from certain accidents.

This Order includes provisions implementing the following European Community Legislation: Directive 2000/26/EC of the European Parliament and of the Council of 16th May 2000 on the approximation of laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives 73/239/EEC and 88/357/EEC (Fourth Motor Insurance Directive) (OJ No. L 181 20/07/2000 p. 65). A Transposition Note setting out how the Government will transpose into UK law the main elements of the Directive is available from the following address: Banking and General Insurance Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ (Telephone number: 020 7270 1389). Copies of the Note are also available on-line at www.hm-treasury.gov.uk.

£1.50

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E1610 11/2002 121610 19585

ISBN 0-11-042969-9

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