STATUTORY INSTRUMENTS

1981 No. 1630

INSURANCE

The Insurance Brokers Registration Council (Accounts and Business Requirements) (Amendment) Rules Approval Order 1981

Made - - - -	13*th November* 1981
Laid before Parliament	23*rd November* 1981
Coming into Operation	21*st December* 1981

The Secretary of State, in exercise of the powers conferred by sections 27(1) and 28(1) of the Insurance Brokers (Registration) Act 1977(**a**) and of all other powers enabling him in that behalf, hereby makes the following Order:—

1. This Order may be cited as the Insurance Brokers Registration Council (Accounts and Business Requirements) (Amendment) Rules Approval Order 1981 and shall come into operation on 21st December 1981.

2. The Insurance Brokers Registration Council (Accounts and Business Requirements) (Amendment) Rules 1981 made by the Insurance Brokers Registration Council in exercise of their powers under sections 11(1), (2), (3) and (7) of the Insurance Brokers (Registration) Act 1977 are hereby approved as set out in the Schedule to this Order.

Reginald Eyre,
Parliamentary Under-Secretary of State,
Department of Trade.

13th November 1981.

(**a**) 1977 c. 46.

SCHEDULE

INSURANCE BROKERS REGISTRATION COUNCIL (ACCOUNTS AND BUSINESS REQUIREMENTS) (AMENDMENT) RULES 1981

The Insurance Brokers Registration Council, in exercise of their powers under section 11(2) of the Insurance Brokers (Registration) Act 1977, hereby make the following Rules:

PART I—Preliminary

1. These Rules may be cited as the Insurance Brokers Registration Council (Accounts and Business Requirements) (Amendment) Rules 1981.

2. In these Rules, unless the context otherwise requires, "the Rules" means the Insurance Brokers Registration Council (Accounts and Business Requirements) Rules 1979 (**a**).

PART II—Requirements as to Accounts

3. Rule 6(6) of the Rules shall be amended:—

(*a*) by the addition at the commencement of sub paragraph (i) of the words "Subject to the provisions of sub paragraph (v) of this paragraph"; and

(*b*) by the insertion of the following new sub paragraph:—

"(v) No money standing to the credit of the Insurance Broking Account shall be held in any approved short term assets defined in paragraph (9)(i) of this rule until the practising insurance broker or enrolled body corporate shall have informed in writing the approved bank or licensed institution with whom the deposit account is to be opened or from whom the deposit receipt is to be obtained and forthwith obtained a written acknowledgement therefrom:—

(*a*) that the deposit account and deposit receipt shall be designated "Insurance Broking Account" and that the title of the account shall contain the name of the practising insurance broker or enrolled body corporate or the names of the partners or the name of the partnership if the practising insurance broker or enrolled body corporate carries on the business in partnership; and

(*b*) that the approved bank or licensed institution is not to be entitled to any charge, encumbrance, lien, right of set-off, compensation or retention against money standing to the credit of the deposit account or represented by the deposit receipt except in the circumstances set out in paragraph (7) of this rule".

4. Rule 6(9) of the Rules shall be amended by the deletion of sub paragraphs (i) and (ii) and the insertion in their place of the following sub paragraphs:—

"(i) deposit accounts and deposit receipts with approved banks and licensed institutions;

(ii) certificates of deposit of approved banks and licensed institutions;".

5. Rule 6(11) of the Rules shall be amended:

(*a*) by the deletion of sub paragraph (i)(*a*) and the insertion in its place of the following:—

"(*a*) a recognised bank within the meaning of the Banking Act 1979(**b**); and

(*b*) by the insertion of the following new paragraph:—

"(v) 'licensed institution' means a licensed institution within the meaning of the Banking Act 1979".

(**a**) S.I. 1979/489, schedule. (**b**) 1979 c. 37.

6. The first paragraph numbered 3 of Part IV of the Appendix to the Rules shall be deleted and the following paragraph shall be inserted in its place:—

"3. I/We have inspected, in respect of each Insurance Broking Account maintained at any time during the period referred to in paragraph 1 of this report and each approved short term asset defined in paragraph (9)(i) of rule 6 of the Insurance Brokers Registration Council (Accounts and Business Requirements) Rules 1979 and held at any time during the period referred to in paragraph 1 of this report, a written acknowledgement from approved bankers or licensed institutions in accordance with the provisions of paragraph (2) or (6)(v) of rule 6 of the Insurance Brokers Registration Council (Accounts and Business Requirements) Rules 1979 and have received confirmation from such approved bankers or licensed institutions that the terms of such acknowledgement were in respect of each Insurance Broking Account in force during the period referred to in paragraph 1 of this report or in respect of such approved short term assets in force during that part of the period referred to in paragraph 1 of this report in which such approved short term assets were held".

Sealed on the fifth day of August 1981.

Attested by:

Francis Perkins,
Member of Council.

J. E. Fryer,
Registrar.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

The rules approved by this Order amend rule 6 and Part IV of the Appendix of the Insurance Brokers Registration Council (Accounts and Business Requirements) Rules 1979. The effect of the amendments is to provide that monies may be held with recognised banks and licensed institutions within the meaning of the Banking Act 1979 and that there shall be a written acknowledgement from such bankers or licensed institutions that approved short term assets are held in accordance with these rules.

SI 1981/1630
ISBN 0-11-017630-8

