STATUTORY INSTRUMENTS

1974 No. 902

INSURANCE

The Insurance Companies (Intermediaries) Regulations 1974

Made - - -	*23rd May* 1974
Laid before Parliament	*6th June* 1974
Coming into Operation	*27th June* 1974

The Secretary of State, in exercise of his powers under sections 43 and 53(1) of the Insurance Companies Amendment Act 1973(**a**), hereby makes the following Regulations:—

1.—(1) These Regulations may be cited as the Insurance Companies (Intermediaries) Regulations 1974 and shall come into operation on 27th June 1974.

(2) The Interpretation Act 1889(**b**) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

2.—(1) Any person who invites another person to make an offer or proposal or to take any other step with a view to entering into a contract of insurance (other than a contract of reinsurance) with an insurance company the effecting of which would constitute the carrying on of ordinary long-term insurance business by that company shall, if—

(*a*) the first mentioned person is connected with that company at the time the invitation is issued, and

(*b*) when the invitation is issued that company is neither authorised to carry on ordinary long-term insurance business in Great Britain by or under section 61 of the Companies Act 1967(**c**) nor to carry it on in Northern Ireland by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968(**d**),

give to the person to whom the invitation is issued in the manner and at the time prescribed by Regulation 4 below a statement of the facts which give rise to that connection.

(2) For the purposes of this Regulation a person shall in relation to an insurance company be a person connected with that insurance company at any time if at that time—

(*a*) that person or any partner, director, controller or manager of his is a partner, director, controller or manager of the insurance company,

(*b*) the insurance company or any partner, director, controller or manager of the insurance company is a partner, director, controller or manager of that person,

(*c*) that person is a body corporate and the insurance company has any interest in any shares or debentures of that person, or

(**a**) 1973 c. 58.
(**b**) 1889 c. 63.
(**c**) 1967 c. 81.
(**d**) 1968 c. 6. (N.I.).

(*d*) the insurance company is a body corporate and that person has any interest in any of the shares or debentures of the insurance company

and for this purpose a person shall be deemed to be interested in shares or debentures of a body corporate if he is interested in them according to the rules set out in section 28 of the Companies Act 1967.

3. Any person who, in the course of carrying on any business or profession, invites another person to make an offer or proposal or to take any other step with a view to entering into a contract of insurance (other than a contract of reinsurance) with an insurance company the effecting of which would constitute the carrying on by the company of ordinary long-term insurance business shall, if when the invitation is issued that company is neither authorised to carry on ordinary long-term insurance business in Great Britain by or under section 61 of the Companies Act 1967 nor to carry it on in Northern Ireland by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968, give to the person to whom the invitation is issued in the manner and at the time prescribed by Regulation 4 below a statement that the insurance company in question is not a company authorised to carry on ordinary long-term insurance business in any part of the United Kingdom.

4. Any person who issues an invitation to another person and is accordingly obliged by Regulation 2 or Regulation 3 above to give that other person a statement shall—

(*a*) if the invitation is a written invitation sent to the person to whom it is issued, send the statement in writing to that person at the same time and in the same manner as the invitation is sent,

(*b*) if the invitation is a written invitation delivered to the person to whom it is issued, deliver the statement in writing to that person at the same time as the invitation is delivered to him,

(*c*) if the invitation is an oral invitation made in the presence of the person to whom it is made, deliver the statement in writing to that person at the same time as the invitation is made, or

(*d*) if the invitation is an oral invitation made otherwise than in the presence of the person to whom it is made, read out the statement to the person to whom the invitation is made immediately after the invitation is made and send a written copy of the statement by post on the day on which the invitation is made to the person to whom it is issued addressed to that person's last known address.

S. Clinton Davis,
Parliamentary Under Secretary of State
for Companies, Aviation and Shipping
Department of Trade.

23rd May 1974.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations relate to the issue of invitations to enter into ordinary long-term insurance policies (other than by way of reinsurance) with overseas insurers who are not authorised to carry on ordinary long-term insurance business in the United Kingdom. Ordinary long-term insurance business includes life insurance business. If the person who issues the invitation is connected with the insurer he must give the person to whom the invitation is issued a written statement of the facts giving rise to that connection. If the person who issues the invitation does so in the course of carrying on any business or profession he must give the person to whom the invitation is issued a written statement that the insurer is not authorised to carry on ordinary long-term insurance business in the United Kingdom.

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