

1974. No. 250

[C]

**INSURANCE****Intermediaries**

REGULATIONS, DATED 4TH OCTOBER 1974, MADE BY THE DEPARTMENT OF COMMERCE UNDER SECTIONS 43 AND 53(1) OF AND SCHEDULE 3 TO THE INSURANCE COMPANIES AMENDMENT ACT 1973.

The Department of Commerce, in exercise of the powers conferred upon it by sections 43 and 53(1) of and Schedule 3 to the Insurance Companies Amendment Act 1973(a) and of all other powers enabling it in that behalf, hereby makes the following regulations:

*Citation and commencement*

1.—(1) These regulations may be cited as the Insurance Companies (Intermediaries) Regulations (Northern Ireland) 1974 and shall come into operation on 1st November 1974.

(2) The Interpretation Act (Northern Ireland) 1954(b) shall apply to these regulations as it applies to a Measure of the Northern Ireland Assembly.

*Obligation to supply information*

2.—(1) Subject to paragraph (3), 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 not authorised to carry on ordinary long-term insurance business either in Northern Ireland by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968(c) or in Great Britain by or under section 3 of the Insurance Companies Act 1974(d),

give to the person to whom the invitation is issued in the manner and at the time prescribed by regulation 4 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;

(a) 1973. c. 58.  
(b) 1954. c. 33.

(c) 1968. c. 6 (N.I.).  
(d) 1974. c. 49.

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

(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 with the addition, in subsection (9) of that section of a reference to a scheme made under section 25 of the Charities Act (Northern Ireland) 1964(e) and to an authorised unit trust scheme within the meaning of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940(f).

(3) These regulations shall not apply to anything done in relation to an insurance company which is permitted to carry on ordinary long-term insurance business in Northern Ireland otherwise than by virtue of an authorisation to do so by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968 or is permitted to carry on that class of business in Great Britain otherwise than by virtue of an authorisation to do so by or under section 3 of the Insurance Companies Act 1974.

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 not authorised to carry on ordinary long-term insurance business either in Northern Ireland by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968 or in Great Britain by or under section 3 of the Insurance Companies Act 1974, give to the person to whom the invitation is issued in the manner and at the time prescribed by regulation 4 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 3 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.

(e) 1964, c. 33 (N.I.).

(f) 4 & 5 Geo. 6 c. 9 (N.I.).

Sealed with the Official Seal of the Department of Commerce for Northern Ireland this 4th day of October 1974.

(L.S.)

*E. Simpson,*  
Assistant Secretary.

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#### EXPLANATORY NOTE

*(This note is not part of the regulations, but is intended to indicate their general purport.)*

These regulations relate to the issue of invitations to enter into ordinary long-term insurance policies (other than by way of reinsurance) with insurers from outside the United Kingdom 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.