



Credit Unions Act 1979

1979 CHAPTER 34

Insurance and other arrangements

15 Insurance against fraud or other dishonesty

- (1) A society shall not be registered as a credit union unless the appropriate registrar is satisfied that on registration there will be in force in relation to that society a policy of insurance complying with the requirements of this section ; and a credit union shall at all times maintain in force such a policy and if it fails to do so shall be guilty of an offence and liable on summary conviction to a fine not exceeding £200.
- (2) In order to comply with this section, a policy of insurance—
 - (a) subject to such exceptions as may be prescribed, must insure the credit union in respect of every description of loss suffered or liability incurred by reason of the fraud or other dishonesty of any of its officers or employees;
 - (b) must so insure the credit union up to a limit of not less than £20,000 (or such other figure as may be prescribed) in respect of any one claim, except that the liability of the insurer may be restricted to an amount not less than £100,000 (or such other figure as may be prescribed) in respect of the total of the claims made in any one year ;
 - (c) must not, except with the consent in writing of the chief registrar, provide in relation to any claim for any amount greater than one per cent, of the limit referred to in paragraph (b) above to be met by the credit union; and
 - (d) must be issued by a person who is permitted under the Insurance Companies Act 1974 or the corresponding provision for the time being in force in Northern Ireland to carry on in Great Britain or Northern Ireland insurance business of a relevant class or who has corresponding permission under the law of another member State.
- (3) In paragraphs (a) and (b) of subsection (2) above " prescribed " means prescribed by regulations made by the chief registrar with the consent of the Treasury.
- (4) Regulations made by virtue of paragraph (b) of that subsection may provide for different figures in relation to different descriptions of credit union, whether by reference to the amount of the assets of the credit union or to such other factors as

Status: This is the original version (as it was originally enacted).

appear to the chief registrar to be appropriate; and if such regulations do so provide the reference in paragraph (c) of that subsection to the limit referred to in the said paragraph (b) shall be construed as a reference to the limit applicable to the credit union in question.