



# Insurance Companies Act 1982 (repealed)

## 1982 CHAPTER 50

### PART II

#### REGULATION OF INSURANCE COMPANIES

##### *Accounts and statements*

#### **17 Annual accounts and balance sheets.**

- (1) Every insurance company to which this Part of this Act applies shall, with respect to each financial year of the company, prepare a revenue account for the year, a balance sheet as at the end of the year and a profit and loss account for the year or, in the case of a company not trading for profit, an income and expenditure account for the year.
- (2) The contents of the documents required by subsection (1) above to be prepared shall be such as may be prescribed, but regulations may provide for enabling information required to be given by such documents to be given instead in a note thereon or statement or report annexed thereto or may require there to be given in such a note, statement or report such information in addition to that given in the documents as may be prescribed.
- (3) Regulation may, as respects such matters stated in such documents as aforesaid or in statements or reports annexed thereto as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the documents certificates of such matters as may be prescribed.
- (4) If a form is prescribed—
  - (a) for any such document as aforesaid or,
  - (b) as that in which information authorised or required to be given in a statement or report annexed to any such document is to be given or,
  - (c) for a certificate to be so annexed,the document shall be prepared, the information shall be given or, as the case may be, the certificate shall be framed, in that form.

*Status: Point in time view as at 05/01/1998.*

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**18 Periodic actuarial investigation of company with long term business.**

- (1) Every insurance company to which this Part of this Act applies which carries on long term business—
  - (a) shall, once in every period of twelve months, cause an investigation to be made into its financial condition in respect of that business by the person who for the time being is its actuary under section 19(1) below or any corresponding enactment previously in force; and
  - (b) when such an investigation has been made, or when at any other time an investigation into the financial condition of the company in respect of its long term business has been made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary’s report of the investigation to be made.
- (2) An investigation to which subsection (1)(b) above relates shall include—
  - (a) a valuation of the liabilities of the company attributable to its long term business; and
  - (b) a determination of any excess over those liabilities of the assets representing the fund or funds maintained by the company in respect of that business and, where any rights of any long term policy holders to participate in profits relate to particular parts of such a fund, a determination of any excess of assets over liabilities in respect of each of those parts.
- <sup>F1</sup>(3) .....
- (4) For the purposes of any investigation to which this section applies the value of any assets and the amount of any liabilities shall be determined in accordance with any applicable valuation regulations.
- (5) The form and contents of any abstract <sup>F2</sup>. . . under this section shall be such as may be prescribed.

**Textual Amendments**

**F1** S. 18(3) repealed (23.12.1996) by S.I. 1996/2102, art. 3(1)

**F2** Words in s. 18(5) repealed (23.12.1996) by S.I. 1996/2102, art. 3(2)(a)

**19 Appointment of actuary by company with long term business.**

- (1) Every insurance company to which this Part of this Act applies shall within one month of beginning to carry on long term business appoint an actuary as an actuary to the company; and whenever an appointment under this section or any corresponding enactment previously in force comes to an end the company shall as soon as practicable make a fresh appointment.
- (2) A company making an appointment under this section shall within fourteen days serve on the [<sup>F3</sup>Treasury] a written notice stating that fact and the name and qualifications of the person appointed; and if an appointment under this section or any corresponding enactment previously in force comes to an end the company shall within fourteen days serve on the [<sup>F3</sup>Treasury] a written notice stating that fact and the name of the person concerned.

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#### Textual Amendments

**F3** Words in s. 19(2) substituted (5.1.1998) by S.I. 1997/2781, art. 8, Sch. Pt. I para. 11 (with art. 7)

#### Modifications etc. (not altering text)

**C1** 19(2): power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, Sch. Pt. I para. 12

## 20 Annual statements by company with prescribed class of insurance business.

Classes of insurance business may be prescribed for the purposes of this section, and every insurance company to which this Part of this Act applies which carries on such business of a prescribed class shall annually prepare the prescribed statement of business of that class, being, if a form is prescribed for the statement, a statement in the prescribed form.

## 21 Audit of accounts.

- (1) The accounts and balance sheets of every insurance company to which this Part of this Act applies shall be audited in the prescribed manner by a person of the prescribed description, and regulations made for the purposes of this section may apply to such companies [<sup>F4</sup>the provisions relating to the audit of the accounts of companies under the Companies Acts], subject to such adaptations and modifications as may appear necessary or expedient.
- (2) In subsection (1) above the reference to accounts and balance sheets shall include a reference to any statement or report annexed thereto giving information authorised or required by virtue of section 17(2) above to be given in a statement or report so annexed.

#### Textual Amendments

**F4** Words in s. 21(1) substituted (1.10.1991) by S.I. 1991/1997, reg. 2, Sch. para. 47

## [<sup>F5</sup>21A Communication by auditor with Secretary of State.

[ No duty to which—

- <sup>F6</sup>(1) (a) an auditor of an insurance company to which this Part of this Act applies; or  
(b) an auditor of any body with which a UK or non-EC company is closely linked by control who is also an auditor of the insurance company,

may be subject shall be regarded as contravened by reason of his communicating in good faith [<sup>F7</sup>to the Treasury or] to the Secretary of State, whether or not in response to a request from [<sup>F8</sup>them], any information or opinion on a matter of which the auditor has become aware in his capacity as auditor of that company or body and which is relevant to any functions of the [<sup>F9</sup>Treasury or, as the case may be,] Secretary of State under this Act]

- (2) If it appears to the [<sup>F10</sup>Treasury] that any auditor or class of auditor to whom subsection (1) above applies is not subject to satisfactory rules made or guidance issued by a professional body specifying circumstances in which matters are to be

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communicated to the [F11Treasury or] the Secretary of State as mentioned in that subsection the [F10Treasury] may make regulations applying to that auditor or class of auditor and specifying such circumstances; and it shall be the duty of an auditor to whom the regulations made by the [F10Treasury] apply to communicate a matter to [F12the Treasury or, as the case may be,] the Secretary of State in the circumstances specified by the regulations.

- (3) The matters to be communicated to [F13the Treasury or] t h e Secretary of State in accordance with any such rules or guidance or regulations may include matters relating to persons other than the company.
- (4) No regulations shall be made under subsection (2) above unless a draft of them has been laid before and approved by a resolution of each House of Parliament.
- (5) If it appears to the [F14Treasury]that an auditor has failed to comply with the duty mentioned in subsection (2) above, the [F14Treasury] may disqualify him from being the auditor of an insurance company or any class of insurance company to which Part II of this Act applies; but the [F14Treasury] may remove any disqualification imposed under this subsection if satisfied that the person in question will in future comply with that duty.
- (6) An insurance company to which this Part of this Act applies shall not appoint as auditor a person disqualified under subsection (5) above.]

#### Textual Amendments

- F5** S. 21A inserted by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 135(1)
- F6** S. 21A(1) substituted (18.7.1996) by [S.I. 1996/1669](#), art. 19
- F7** Words in s. 21A(1) inserted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(a\)\(i\)](#)
- F8** Word in s. 21A(1) substituted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(a\)\(ii\)](#)
- F9** Words in s. 21A(1) inserted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(a\)\(iii\)](#)
- F10** Word in s. 21A(2) substituted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(b\)\(i\)](#)
- F11** Words in s. 21A(2) inserted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(b\)\(ii\)](#)
- F12** Words in s. 21A(2) inserted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(b\)\(iii\)](#)
- F13** Words in s. 21A(3) inserted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(c\)](#)
- F14** Word in s. 21A(5) substituted (5.1.1998) by [S.I. 1997/2781](#), art. 8, [Sch. para. 12\(d\)](#)

#### Modifications etc. (not altering text)

- C2** S. 21A(1)(2)(3)(5): power to contract out certain functions conferred (18.11.1998) by [S.I. 1998/2842](#), arts. 2, 3, [Sch. Pt. I para. 13](#)

## 22 Deposit of accounts etc. with Secretary of State.

- (1) Every account, balance sheet, abstract or statement required by sections 17, 18 and 20 above and any report of the auditor of the company made in pursuance of section 21 above shall be printed, and [F15the required copies of the document] shall be deposited with the [F16Treasury]within six months after the close of the period to which the account, balance sheet, abstract, statement or report relates; but if in any case it is made to appear to the [F16Treasury] that the circumstances are such that a longer period than six months should be allowed, the [F16Treasury] may extend that period by such period not exceeding three months as [F17they think] fit.

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- [<sup>F18</sup>(1A) In subsection (1) above, the reference to the required copies, in relation to a document, is to —
- (a) five printed copies of the document, or
  - (b) one printed copy of the document and one copy of it in a form approved for the purposes of this subsection by the [<sup>F16</sup>Treasury].]
- (2) . . . . .
- (3) [<sup>F19</sup>In the case] of any document deposited under subsection (1) <sup>F20</sup>. . . above except an auditor's report [<sup>F21</sup>one of the printed copies, or, as the case may be, the printed copy, of the document shall be] signed by such persons as may be prescribed.
- (4) [<sup>F19</sup>In the case] of any auditor's report deposited under subsection (1) above [<sup>F21</sup>one of the printed copies, or, as the case may be, the printed copy, of the report shall be] signed by the auditor.
- (5) The [<sup>F16</sup>Treasury] shall consider the documents deposited under [<sup>F22</sup>subsection (1)] above, and if any such document appears to [<sup>F23</sup>the Treasury] to be inaccurate or incomplete in any respect [<sup>F23</sup>the Treasury] shall communicate with the company with a view to the correction of any such inaccuracies and the supply of deficiencies.
- (6) There shall be deposited with every revenue account and balance sheet of a company any report on the affairs of the company submitted to the shareholders or policy holders of the company in respect of the financial year to which the account and balance sheet relate.
- (7) In this section any reference to an account or balance sheet includes a reference to any statement or report annexed thereto giving information authorised or required by virtue of subsection (2) of section 17 above to be so given and any certificate so annexed by virtue of subsection (3) of that section.

**Textual Amendments**

- F15** Words in s. 22(1) substituted (23.12.1996) by S.I. 1996/2102, **art. 5(1)**
- F16** Words in s. 22 substituted (5.1.1998) by S.I. 1997/2781, **art. 8, Sch. para. 13(a)** (with art. 7)
- F17** Words in s. 22(1) substituted (5.1.1998) by S.I. 1997/2781, **art. 8, Sch. Pt. I para. 13(b)** (with art. 7)
- F18** S. 22(1A) inserted (23.12.1996) by S.I. 1996/2101, **art. 5(2)**
- F19** Words in s. 22(3)(4) substituted (23.12.1996) by S.I. 1996/2102, **art.5(3)(4)**
- F20** Words in s. 22(3) repealed (23.12.1996) by S.I. 1996/2101, **art. 4(2)**
- F21** Words in s. 22(3)(4) substituted (23.12.1996) by S.I. 1996/2102, **art. 5(3)(4)**
- F22** Words in s. 22(5) substituted (23.12.1996) by S.I. 1996/2101, **art. 4(3)**
- F23** Words in s. 22(5) substituted (5.1.1998) by S.I. 1997/2781, **art. 8, Sch. Pt. I para. 13(c)** (with art. 7)

**Modifications etc. (not altering text)**

- C3** S. 22: power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, **arts. 2, 3, Sch. Pt. I para. 14**

**23 Right of shareholders and policy holders to receive copies of deposited documents.**

- (1) Subject to subsection (2) below, an insurance company shall forward by post or otherwise to any shareholder or policy holder who applies for one—

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- (a) a printed copy of any of the documents last deposited by the company under subsection (1) <sup>F24</sup> . . . of section 22 above;
  - (b) a copy of any document supplied to the [<sup>F25</sup>Treasury] under subsection (5) of that section which relates to any of those documents;
  - (c) a copy of any report deposited with any of those documents under subsection (6) of that section.
- (2) If, in the opinion of the [<sup>F25</sup>Treasury], the disclosure of information contained in—
- (a) a statement or report annexed to a document prepared in pursuance of section 17(1) above by an insurance company; or
  - (b) a statement prepared in pursuance of section 20 above by such a company,
- would be harmful to the business of the company or of any of its subsidiaries, the [<sup>F25</sup>Treasury] may dispense the company from complying with the obligation imposed by subsection (1) above to forward a copy of the document containing the information to a shareholder or policy holder who applies for it.

#### Textual Amendments

**F24** Words in s. 23(1)(a) repealed (23.12.1996) by S.I. 1996/2101, art. 4(4)

**F25** Words in s. 23 substituted (5.1.1998) by S.I. 1997/2781, art. 8, Sch. Pt. I para. 14 (with art. 7)

#### Modifications etc. (not altering text)

**C4** S. 23: power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, Sch. Pt. I para. 15

## 24 Deposit of accounts etc. by registered society.

- (1) A registered society shall, in addition to depositing with the [<sup>F26</sup>Treasury], as required by section 22 above, <sup>F27</sup> . . . copies of each document [<sup>F28</sup>to which subsection (1) of that section applies] deposit, within the time limited by virtue of that section for depositing them, a copy with the appropriate registrar in the case of a society registered in Great Britain or with the registrar in the case of a society registered in Northern Ireland, being a copy signed by the like persons as those by whom the copies deposited under that section are required to be signed.
- (2) Subsection (6) of the said section 22 shall have effect in relation to the deposit by virtue of this section of accounts and balance sheets as it has effect in relation to the deposit by virtue of that section of accounts and balance sheets.
- (3) Section 71(1) of the <sup>M1</sup>Industrial and Provident Societies Act 1965 (which empowers the Treasury to make regulations respecting, among other things, the inspection of documents kept by the appropriate registrar under that Act) and section 97(1) of the <sup>M2</sup>Industrial and Provident Societies Act (Northern Ireland) 1969 (which confers corresponding powers on the Department of Commerce for Northern Ireland) shall have effect as if the reference to documents kept by the appropriate registrar under that Act of 1965 or, as the case may be, by the registrar under that Act of 1969 included a reference to documents deposited in pursuance of this section.
- (4) In this section
  - “appropriate registrar” has the meaning given in section 73(1) of the said Act of 1965 and
  - “registrar” has the meaning given by section 101(1) of the said Act of 1969.

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#### Textual Amendments

- F26** Words in s. 24 substituted (5.1.1998) by S.I. 1998/2781, art. 8, **Sch. Pt. I para. 14** (with art. 7)  
**F27** Words in s. 24(1) repealed (23.12.1996) by S.I. 1996/2101, **art. 4(5)**  
**F28** Words in s. 24(1) substituted (23.12.1996) by S.I. 1996/2101, **art. 4(5)**

#### Modifications etc. (not altering text)

- C5** s. 24(1): power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, **Sch. Pt. I para. 16**

#### Marginal Citations

- M1** 1965 c. 12.  
**M2** 1969 c. 24. (N.I.)

## 25 Periodic statements by company with prescribed class of business.

- (1) Every insurance company to which this Part of this Act applies which carries on business of a class or description prescribed for the purposes of this section shall prepare, at such intervals and for such periods as may be prescribed, a statement of its business of that class or description.
- (2) The form and contents of any statement under this section shall be such as may be prescribed.
- (3) Regulations may, as respects such matters contained in a statement under this section as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the statement certificates of such matters and in such form as may be prescribed.
- (4) Five copies of any statement made under this section (with any certificate annexed thereto in pursuance of subsection (3) above) shall be deposited by the company with the [<sup>F29</sup>Treasury] within such period as may be prescribed, and one of those copies shall be a copy signed by the persons required to sign copies of statements made under section 20 above which are deposited under section 22 above.
- (5) The whole or any part of any document deposited under subsection (4) above may be deposited by the [<sup>F29</sup>Treasury] with the registrar of companies or with the registrar of companies in Northern Ireland or with both and may be published by the [<sup>F29</sup>Treasury] in such ways as [<sup>F30</sup>they think] appropriate.

#### Textual Amendments

- F29** Word in s. 25 substituted (5.1.1998) by S.I. 1997/2781, art. 8, **Sch. para. 15(a)** (with art. 7)  
**F30** Words in s. 25(5) substituted (5.1.1998) by S.I. 1997/2781, art. 8, **Sch. para. 15(b)** (with art. 7)

#### Modifications etc. (not altering text)

- C6** S. 25: power to contract out certain functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, **Sch. Pt. para. 17**



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## 26 Statements of transactions of prescribed class or description.

- (1) Classes or descriptions of agreements or arrangements appearing to the [<sup>F31</sup>Treasury] as likely to be undesirable in the interests of policy holders may be prescribed for the purposes of this section, and every insurance company to which this Part of this Act applies or subordinate company within the meaning of section 31 below of any such company which enters into an agreement or arrangement of a class or description so prescribed shall, within such period as may be prescribed, furnish the [<sup>F31</sup>Treasury] with a statement containing such particulars of that agreement or arrangement as may be prescribed.
- (2) Different classes or descriptions of agreements or arrangements may be prescribed for the purposes of this section in relation to companies of different classes or descriptions.
- (3) The whole or any part of any statement furnished to the [<sup>F31</sup>Treasury] under this section may be deposited by [<sup>F32</sup> them] with the registrar of companies or with the registrar of companies in Northern Ireland or with both and may be published by the [<sup>F31</sup>Treasury] in such ways as [<sup>F33</sup>they think] appropriate.

### Textual Amendments

- F31** Word in s. 26 substituted (5.1.1998) by S.I. 1997/2781, art. 8, **Sch. Pt. I para. 16(a)** (with art. 7)
- F32** Word in s. 26(3) substituted (5.1.1998) by S.I. 1997/2781, art. 8, **Sch. Pt. I para. 16(b)(i)** (with art. 7)
- F33** Words in s. 26(3) substituted (5.1.1998) by S.I. 1997/2871, art. 8, **Sch. Pt. I para.16(b)(ii)** (with art. 7)

### Modifications etc. (not altering text)

- C7** s. 26: power to contract out certain functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, **Sch. Pt. I para.18**

## 27 Companies from outside the Community.

An insurance company to which this Part of this Act applies

- [<sup>F34</sup>(a) whose head office is not in a member State; and  
(b) which is not a Swiss general insurance company,]

shall keep in the United Kingdom proper accounts and records in respect of insurance business carried on in the United Kingdom.

### Textual Amendments

- F34** S. 27 (a)(b) substituted (5.1.1994) by S.I. 1993/3127, **reg. 3(2)**



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