



# Insurance Companies Act 1982 (repealed)

## 1982 CHAPTER 50

### PART II

#### REGULATION OF INSURANCE COMPANIES

*Changes of director, controller or manager etc.*

#### 60 Approval of proposed managing director or chief executive of insurance company.

- (1) No insurance company to which this Part of this Act applies shall appoint a person as managing director or chief executive of the companies unless—
  - (a) the company has served on the <sup>[F1]</sup>Treasury a written notice stating that it proposes to appoint that person to that position and containing such particulars as may be prescribed; and
  - (b) either the <sup>[F1]</sup>Treasury<sup>[F2]</sup> have], before the expiration of the period of three months beginning with the date of service of that notice, notified the company in writing that there is no objection to that person being appointed to that position or that period has elapsed without the <sup>[F1]</sup>Treasury having served on the company a written notice of objection.
- (2) A notice served by a company under subsection (1)(a) above shall contain a statement signed by the person proposed to be appointed that it is served with his knowledge and consent.
- <sup>[F3]</sup>(3) The <sup>[F1]</sup>Treasury may serve a notice of objection under subsection (1) above on the ground—
  - (a) that it appears to <sup>[F4]</sup>the Treasury that the person proposed to be appointed is not a fit and proper person to be appointed to the position in question; or
  - (b) where the insurance company is a UK or non-EC company, that it appears to <sup>[F4]</sup>the Treasury that, if that person were appointed, the criteria of sound and prudent management would not or might not continue to be fulfilled in respect of the company.

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- <sup>F3</sup>(3A) Before serving such a notice the [Treasury] shall serve on the company and on the person proposed to be appointed a preliminary notice stating—
- (a) that the [<sup>F1</sup>Treasury][<sup>F5</sup>are] considering the service on the company of a notice of objection on that ground; and
  - (b) that the company or that person may, within the period of one month from the date of service of the preliminary notice, make written representations to the [<sup>F1</sup>Treasury] and, if the company or that person so requests, oral representations to an officer of the [<sup>F6</sup>the Treasury] appointed for the purpose by the [<sup>F1</sup>Treasury].]
- (4) The [<sup>F1</sup>Treasury] shall not be obliged to disclose to the company or to the person proposed to be appointed any particulars of the ground on which [<sup>F7</sup>they are] considering the service on the company of a notice of objection.
- (5) Where representations are made in accordance with this section the [<sup>F1</sup>Treasury] shall take them into consideration before serving the notice of objection.

#### Textual Amendments

- F1** Words in s. 60 substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para.40(a)** (with art. 7)
- F2** Words in s.60(1)(b) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 40(b)** (with art. 7)
- F3** S. 60(3)(3A) substituted for s. 60(3) (1.7.1994) by S.I. 1994/1696, **reg. 32**
- F4** Words in s. 60(3) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 40(c)** (with art. 7)
- F5** Words in s. 60(3A)(a) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para.40(d)(i)** (with art. 7)
- F6** Words in s. 60(3A)(b) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 40(d)(ii)** (with art. 7)
- F7** Words in s. 60(4) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 40(e)** (with art. 7)

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

- C2** S. 60: power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, **Sch. Pt. I para. 40**

## 61 Approval of person proposing to become controller of insurance company where section 60 does not apply.

- (1) No person shall become a controller of an insurance company to which this Part of this Act applies otherwise than by virtue of an appointment in relation to which section 60 above has effect unless—
- (a) he has served on the [<sup>F8</sup>Treasury] a written notice stating that he intends to become a controller of that company and containing such particulars as may be prescribed; and
  - (b) either the [<sup>F8</sup>Treasury][<sup>F9</sup> have], before the expiration of the period of three months beginning with the date of service of that notice, notified him in writing that there is no objection to his becoming a controller of the company or that period has elapsed without the [<sup>F8</sup>Treasury] having served on him a written notice of objection.

<sup>F10</sup>(1A) The [<sup>F8</sup>Treasury] may serve a notice of objection under subsection (1) above on the ground—

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- (a) that it appears to [<sup>F11</sup>the Treasury] that the person concerned is not a fit and proper person to become a controller of the company; or
  - (b) where the company is a UK or non-EC company, that it appears to [<sup>F11</sup>the Treasury] that, if that person were to become such a controller, the criteria of sound and prudent management would not or might not continue to be fulfilled in respect of the company.
- <sup>F10</sup>(2) Before serving such a notice the [<sup>F8</sup>Treasury] shall serve on the person proposing to become a controller a preliminary notice stating—
- (a) that the [<sup>F8</sup>Treasury][<sup>F12</sup>are] considering the service on that person of a notice of objection on that ground; and
  - (b) that that person may, within the period of one month from the date of service of the preliminary notice, make written representations to the [<sup>F8</sup>Treasury] and, if that person so requests, oral representations to an officer of [<sup>F13</sup>the Treasury] appointed for the purpose by the [<sup>F8</sup>Treasury].]
- <sup>F14</sup>(2A) The [<sup>F8</sup>Treasury] may serve a notice of objection under subsection (1) above for the purpose of implementing any decision of the Council or Commission of the Communities under—
- (a) Article 29b(4) of the first general insurance Directive; or
  - (b) Article 32b(4) of the first long term insurance Directive.]
- (3) The [<sup>F8</sup>Treasury] shall not be obliged to disclose to any person any particulars of the ground on which [<sup>F15</sup>they are] considering the service on him of a notice of objection.
- (4) Where representations are made in accordance with this section the [<sup>F8</sup>Treasury] shall take them into consideration before serving the notice of objection.

#### Textual Amendments

- F8** Words in s. 61 substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 41(a)** (with art. 7)
- F9** Words in s. 61(1)(b) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 41(b)** (with art. 7)
- F10** S. 61(1A)(2) substituted for s. 61(2) (1.7.1994) by S.I. 1994/1696, **reg. 33**
- F11** Words in s. 61(1A) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 41(c)** (with art. 7)
- F12** Words in s. 61(2)(a) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 41(d)(i)** (with art. 7)
- F13** Words in s. 61(2)(b) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 41(d)(ii)** (with art. 7)
- F14** S. 61(2A) inserted (19.11.1992) by S.I. 1992/2890, **reg. 4**
- F15** Words in s. 61(3) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 41(e)** (with art. 7)

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

- C3** S. 61: power to contract out functions conferred (18.11.1998) by 1998/2842, arts. 2, 3, Sch. Pt. I para. 4
- C4** S. 61(1)(a) modified (1.12.2001) by S.I. 2001/2637, **art. 3(2)(c)**; S.I. 2001/3538, **art. 2**

### <sup>F16</sup>61A Approval of acquisition of notifiable holding in UK company.

- (1) No person who is a controller of a UK company shall acquire a notifiable holding in that company, or in another company of which it is a subsidiary undertaking, unless—

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- (a) he has served on the [F17Treasury] a written notice stating—
    - (i) that he intends to acquire such a holding; and
    - (ii) the number of the shares or details of the voting rights which he proposes to acquire; and
  - (b) either the [F17Treasury][F18have], before the expiration of the period of three months beginning with the date of service of that notice, notified him in writing that there is no objection to his proposed acquisition of the holding, or that period has elapsed without the [F17Treasury] having served on him a written notice of objection.
- (2) The [F17Treasury] may serve a notice of objection under subsection (1) above on the ground—
- (a) that it appears to [F19them] that the person concerned is not a fit and proper person to acquire such a holding; or
  - (b) that it appears to [F19them] that, if that person were to acquire such a holding, the criteria of sound and prudent management would not or might not continue to be fulfilled in respect of the company.
- (3) Subsections (2) to (4) of section 61 above shall (with the necessary modifications) apply for the purposes of this section as they apply for the purposes of that section.]

#### Textual Amendments

**F16** S. 61A inserted (1.7.1994) by S.I. 1994/1696, reg. 34

**F17** Words in s. 61A substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), Sch. Pt. I para. 42(a) (with art. 7)

**F18** Words s. 61A(1)(b) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), Sch. Pt. I para. 42(b) (with art. 7)

**F19** Words in s. 61A(2) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), Sch. Pt. I para. 42(c) (with art. 7)

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

**C5** S. 61A: power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, Sch. Pt. I para. 42

### [F20]61B Further provisions with respect to controllers of UK companies.

Schedule 2D to this Act (which makes further provision with respect to persons becoming or continuing to be companies, controllers of UK and persons who are such controllers acquiring or dealing with holdings in such companies) shall have effect.]

#### Textual Amendments

**F20** S. 61B inserted (1.7.1994) by S.I. 1994/1696, reg. 35(1)

### 62 Duty to notify change of director, controller or manager.

[F21(1) If, in the case of a company to which this Part of this Act applies, a person becomes or ceases to be—

- (a) a controller of the company; or

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- (b) where the company is a UK company, a 10 per cent.shareholder controller, a 20 per cent.shareholder controller, a 33 per cent.shareholder controller, a 50 per cent.shareholder controller or a majority shareholder controller of the company,

he shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the company in writing of that fact and of such other matters as may be prescribed.

<sup>F21</sup>(1A) If, after ceasing to be a shareholder controller of any description mentioned in paragraph (b) of subsection (1) above, a person will still be a shareholder controller of the company, his notice under that subsection shall state the percentage of the shares or voting power which he will (alone or with any associate or associates) hold or be entitled to exercise or control.

<sup>F21</sup>(1B) A person who becomes a director or manager of an insurance company to which this Part of this Act applies shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the company in writing of such matters as may be prescribed.]

(2) An insurance company to which this part of this Act applies shall give written notice to the [<sup>F22</sup>Treasury]of the fact that any person has become or ceased to be a director, controller or manager of the company and of any matter of which any such person is required to notify the company under [<sup>F23</sup>subsection (1), (1A) or (1B)] above; and that notice shall be given before the expiration of the period of fourteen days beginning with the day next following that on which that fact or matter comes to the company's knowledge.

[<sup>F24</sup>(3) In this section 'share' has the same meaning as in Part VII of the Companies Act or Part VIII of the Companies (Northern Ireland) Order 1986.]

#### Textual Amendments

**F21** S. 62(1)(1A)(1B) substituted for s. 62(1) by S.I. 1994/1696, reg. 36(1)

**F22** Words in s.62(2) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), Sch. Pt. I para.43(a) (with art. 7)

**F23** Words in s. 62(2) substituted (1.7.1994) by S.I. 1994/1696, reg. 36(2)

**F24** S. 62(3) inserted (1.7.1994) by S.I. 1994/1696, reg. 36(3)

## 62 Duty to notify change of director, controller or manager. U.K.

(1) A person who becomes or ceases to be a controller of an insurance company to which this Part of this Act applies shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the insurance company in writing of that fact and of such other matters as may be prescribed; and a person who becomes a director or manager of any such insurance company shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the insurance company in writing of such matters as may be prescribed.

(2) An insurance company to which this part of this Act applies shall give written notice to the Secretary of State of the fact that any person has become or ceased to be a director, controller or manager of the company and of any matter of which any such person is required to notify the company under subsection (1) above; and that notice shall be

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given before the expiration of the period of fourteen days beginning with the day next following that on which that fact or matter comes to the company's knowledge.

### 63 Change of manager etc. of company from outside United Kingdom.

- (1) In relation to [<sup>F25</sup>a non-EC company whose head office is in an EFTA State or]<sup>F26</sup>a Swiss general insurance company],—
- (a) section 60 above shall have effect as if the references to a managing director or chief executive were references to a principal United Kingdom executive;
  - (b) section 61 above shall not apply;
  - (c) section 62 above shall have effect as if references to a director or manager were references to a principal United Kingdom executive, an employee within section 8(4)(c) above or an authorised United Kingdom representative.
- (2) In relation to any other insurance company whose head office is outside the United Kingdom—
- (a) section 60 above shall have effect as if the references to a chief executive included references to a principal United Kingdom executive; and
  - (b) section 62 above shall have effect as if the references to a director included references to a principal United Kingdom executive and to an authorised United Kingdom representative.
- (3) In this section—
- “principal United Kingdom executive” means an officer or employee within section 8(4)(b) or 9(6) above; and
- “authorised United Kingdom representative” means a representative fulfilling the requirements of section 10 above or an individual representative of the kind described in subsection (5) of that section.

#### Textual Amendments

**F25** Words in s. 63(1) substituted (1.7.1994) by S.I. 1994/1696, 37(1)

**F26** Words in s. 63(1) inserted (5.1.1994) by S.I. 1993/3127, reg. 3(10)

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

**C6** S. 63: power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, Sch. Pt. I para. 44

### [<sup>F28</sup>63A <sup>F27</sup>Duty to notify change of control

- (1) A person resident or having its head office in a country or territory other than a member State who becomes the parent undertaking of an insurance company—
- (a) which has its head office in the United Kingdom; and
  - (b) to which this Part of this Act applies,
- shall before the expiration of the period of fourteen days beginning with the day next following that on which he becomes the parent undertaking notify the Secretary of State in writing of that fact.
- (2) Subsection (1) above shall not apply if the insurance company concerned—
- (a) is required to give notice to the Secretary of State in accordance with section 62(2) above; or

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- (b) is not authorised to carry on in any member State any insurance business other than reinsurance business.]

#### Textual Amendments

**F27** S. 63A inserted (19.11.1992) by S.I. 1992/2890, **reg. 5**

**F28** S. 63A ceased to have effect (1.7.1994) by virtue of S.I. 1994/1696, **reg. 37(2)**

#### 64 Duty to notify change of main agent.

- (1) An insurance company to which this Part of this Act applies shall give written notice to the [<sup>F29</sup>Treasury] of the fact that any person has become or ceased to be a main agent of the company and, if a main agent is a body corporate or a firm, of the fact that any person has become or ceased to be a director of the body or partner of the firm.
- (2) A notice under this section shall be given before the expiration of the period of fourteen days beginning with the day next following that on which the change comes to the knowledge of the insurance company.

#### Textual Amendments

**F29** Words in s. 64(1) substituted (5.1.1998) by S.I. 1997/2781, art. 8(1), **Sch. Pt. I para. 43(b)** (with art. 7)

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

**C7** S. 64(1): power to contract out functions conferred (18.11.1998) by S.I. 1998/2842, arts. 2, 3, **Sch. Pt. I para. 45**

**Status:**

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