



Financial Services Act 1986

1986 CHAPTER 60

PART II

INSURANCE BUSINESS

136 Arrangements to avoid unfairness between separate insurance funds etc.

(1) After section 31 of the Insurance Companies Act 1982 there shall be inserted—

“31A Arrangements to avoid unfairness between separate insurance funds etc.

(1) An insurance company to which this Part of this Act applies which carries on long term business in the United Kingdom shall secure that adequate arrangements are in force for securing that transactions affecting assets of the company (other than transactions outside its control) do not operate unfairly between the section 28 fund or funds and the other assets of the company or, in a case where the company has more than one identified fund, between those funds.

(2) In this section—

" the section 28 fund or funds" means the assets representing the fund or funds maintained by the company under section 28(1) (b) above; and

" identified fund ", in relation to a company, means assets representing the company's receipts from a particular part of its long term business which can be identified as such by virtue of accounting or other records maintained by the company.”

(2) In section 71(7) of that Act (which lists the provisions of that Act default in complying with which is not an offence) before the word " or " there shall be inserted the word " 31A ".