

1974 No. 901

INSURANCE

**The Insurance Companies (Contents of Advertisements)
Regulations 1974**

<i>Made</i>	- - -	<i>23rd May 1974</i>
<i>Laid before Parliament</i>		<i>6th June 1974</i>
<i>Coming into Operation</i>		<i>27th June 1974</i>

The Secretary of State, in exercise of his powers under sections 41 and 53(1) of the Insurance Companies Amendment Act 1973(a), hereby makes the following Regulations:—

1.—(1) These Regulations may be cited as the Insurance Companies (Contents of Advertisements) Regulations 1974 and shall come into operation on 27th June 1974.

(2) The Interpretation Act 1889(b) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

2. Regulations 3 and 4 below shall apply to any insurance advertisement which invites any person to enter into or to offer to enter into, or which contains information calculated to lead directly or indirectly to any person entering into or offering to enter into, any contract of insurance (other than a contract of reinsurance) with an insurer named in the advertisement the effecting of which by him would constitute the carrying on by him of ordinary long-term insurance business and is issued at a time when the insurer named in the advertisement is not authorised to carry on that class of business in Great Britain by or under section 61 of the Companies Act 1967(c) and is not then authorised to carry on that class of business in Northern Ireland by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968(d).

3. An insurance advertisement to which this Regulation applies shall include the words “An insurance company which does not and is not authorised to carry on in any part of the United Kingdom business of the class to which this advertisement relates” and those words shall appear prominently—

(a) immediately after or along side the statement of the name of the insurer, or

(a) 1973 c. 58.
(c) 1967 c. 81.

(b) 1889 c. 63.
(d) 1968 c. 6. (N.I.).

- (b) if the name of the insurer is stated more than once in the advertisement, immediately after or along side the most prominent of the statements of that name and for this purpose if two or more statements of the name are equally prominent that which appears first in the advertisement shall be treated as the most prominent.

4.—(1) An insurance advertisement to which this Regulation applies shall, if it states the name of any United Kingdom agent of the insurer named in the advertisement and that United Kingdom agent is not independent of the named insurer, contain a statement naming the insurer and stating that the United Kingdom agent is a person who is not independent of the insurer and that statement shall appear prominently—

- (a) immediately after or along side the statement of the name of the United Kingdom agent, or
- (b) if the name of the United Kingdom agent is stated more than once in the advertisement, immediately after or along side the most prominent of the statements of that name and for this purpose if two or more statements of the name are equally prominent that which appears first in the advertisement shall be treated as the most prominent.

(2) For the purposes of this Regulation—

- (a) a person shall be deemed to be a United Kingdom agent of an insurer if he is a person who carries on any business in the United Kingdom in the course of which he performs functions for or on behalf of the insurer;
- (b) a United Kingdom agent of an insurer shall be regarded as not independent of that insurer at a particular time if at that time—
- (i) the United Kingdom agent or any partner, director, controller or manager of the United Kingdom agent is a partner, director, controller or manager of the insurer,
- (ii) the insurer or any partner, director, controller or manager of the insurer is a partner, director, controller or manager of the United Kingdom agent,
- (iii) the United Kingdom agent is a body corporate and the insurer has any interest in any shares or debentures of the United Kingdom agent, or
- (iv) the insurer is a body corporate and the United Kingdom agent has any interest in any of the shares or debentures of the insurer, 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.

5. Any insurance advertisement which contains the name of an insurance company to which the Insurance Companies Act 1958(a) applies, being a company incorporated with a share capital, and which states the amount of the authorised capital of the company shall also state the amount of that capital which has been subscribed and the amount thereof which has been paid up at the time the advertisement is issued.

(a) 1958 c. 72.

S. Clinton Davis,

Parliamentary Under Secretary of State
for Companies, Aviation and Shipping.

Department of Trade.

23rd May 1974.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations prescribe that advertisements of any kind which offer the issue of ordinary long-term insurance policies (otherwise than by way of reinsurance) by an overseas insurer who is not authorised to carry on ordinary long-term insurance business in the United Kingdom must state that the insurer is not so authorised and that, if such an advertisement states the name of an intermediary in the United Kingdom who acts for the insurer and the intermediary and the insurer are not independent of one another, the advertisement must state that fact. Ordinary long-term insurance business includes life insurance business.

The Regulations also prescribe that any insurance advertisement which states the authorised capital of the insurer must also state the amount of the subscribed capital and the amount of the capital which has been paid up.

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