
STATUTORY INSTRUMENTS

1987 No. 2130

INSURANCE

The Insurance Companies (Assistance) Regulations 1987

Made - - - - *10th December 1987*

Laid before Parliament *10th December 1987*

Coming into force - - *1st January 1988*

The Secretary of State, being a Minister designated for the purposes of section 2(2) of the European Communities Act 1972⁽¹⁾ in relation to the authorisation of the carrying on of insurance business and the regulation of such business and its conduct⁽²⁾, in exercise of the powers conferred by that section and in exercise of the powers conferred by sections 2(5), 5(1), 15(6), 17(2), 32(1), 33(1) and 97 of the Insurance Companies Act 1982⁽³⁾, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Insurance Companies (Assistance) Regulations 1987 and shall come into force on 1st January 1988.

Amendment of Insurance Companies Act 1982

2. The Insurance Companies Act 1982 shall be amended as follows—

- (a) in each of sections 2(4) (restriction on carrying on insurance business) and 15(5) (insurance companies to which Part II applies), for “or 17” there shall be substituted “, 17 or 18”; and
- (b) in Part I of Schedule 2 (classes of general business)—
 - (i) at the end of paragraph (b) in the third column of the entry relating to class 16 (miscellaneous financial loss) there shall be added “(other than loss such as is covered by contracts falling within class 18 below)”; and
 - (ii) after class 17 there shall be added the further class specified in the Schedule to these Regulations.

(1) 1972 c. 68.
(2) S.I.1976/2141.
(3) 1982 c. 50.

Amendment of Insurance Companies Regulations 1981

3. The Insurance Companies Regulations 1981(4) shall be amended as follows—

(a) The following words are to be added at the end of Regulation 23(2)(a)—

“but in no case is assistance to be available outside the United Kingdom and the Republic of Ireland except where it is provided without the payment of additional premium by a body in the country concerned with whom the insurer has entered into a reciprocal agreement”.

(b) In Regulation 23(2)(b) the words “the assistance” shall be replaced by

“assistance provided in the case of an accident or breakdown occurring within the United Kingdom or the Republic of Ireland”.

(c) Regulation 23(2)(c) is to be replaced by the following—

“(c) that the assistance shall take either or both of the forms of assistance specified in paragraph (2A) below.”

(d) The following is to be inserted after Regulation 23(2)—

“**2A)** The forms of assistance referred to in paragraph (2) above are—

(a) repairs to the relevant vehicle at the place where the accident or breakdown has occurred; this assistance may also include the delivery of parts, fuel, oil, water or keys to the relevant vehicle;

(b) removal of the relevant vehicle either to the nearest or most appropriate place at which repairs may be carried out, or to—

(i) the home, point of departure or original destination within the United Kingdom of the driver and passengers provided the accident or breakdown occurred within the United Kingdom; or

(ii) the home, point of departure or original destination within the Republic of Ireland of the driver and passengers provided the accident or breakdown occurred within the Republic of Ireland or within Northern Ireland; or

(iii) the home, point of departure or original destination within Northern Ireland of the driver and passengers provided the accident or breakdown occurred within the Republic of Ireland.

This form of assistance may include the conveyance of the driver or passengers of the relevant vehicle, with the vehicle, or, where the vehicle is to be conveyed only to the nearest or most appropriate place at which repairs may be carried out, the driver and passengers may alternatively be separately conveyed to the nearest location from which they may continue their journey by other means.

2B) Paragraph (1)(a) above shall not preclude the insurer from reimbursing the policy holder for all or part of any sums paid by him in respect of assistance either because he failed to identify himself as the policy holder or because he was unable to get in touch with the insurer in order to claim the assistance.”

(e) In Regulation 23(3)(a) the words “to be unable to start a journey in the vehicle or” are to be inserted after the words “relevant vehicle” and in Regulation 23(3)(b) the words “commenced or” are to be inserted after the words “reasonably be”.

(f) The following sub-paragraph shall be substituted for sub-paragraph (1) in paragraph 11 of Schedule 1—

(4) S.I. 1981/1654; these Regulations have been amended by S.I. 1982/675, 1983/396 and 1985/1419 but the present amendments do not concern any previously amended provisions.

“(1) For the purposes of paragraph 10 above, the amount of claims paid, in relation to an insurance company and a financial year, is the amount that is recorded in the company’s books as at the end of the financial year—

- (a) in relation to general business classes 1 to 17, as paid by it (whether or not payment has been effected in that year) in full or partial settlement of the claims described in sub-paragraph (2) below and the expenses described in sub-paragraph (3) below, or,
- (b) in relation to general business class 18, as being the costs borne by the insurance company (whether or not borne in that year) in respect of the assistance given, less (in either case) any recoverable amounts within the meaning of sub-paragraph (4) below.”
- (g) In the table appearing in paragraph 6 of Schedule 3 for “or 16” there shall be substituted “, 16 or 18”.
- (h) In Parts I and II respectively of Schedule 5, the following is to be added at the end of paragraph 17—
“and in relation to general business class 18, the resources available for providing the assistance”.
- (i) In Part III of Schedule 5, the following is to be added at the end of paragraph 22—
“and in relation to general business class 18, the resources available for providing the assistance”.

Amendment of Insurance Companies (Accounts and Statements) Regulations 1983

4. The definition of “accounting class” in Regulation 3(1) of the Insurance Companies (Accounts and Statements) Regulations 1983⁽⁵⁾ shall be amended by the addition of the figure “18” to the list of classes of general business corresponding to the eighth accounting class, namely Pecuniary loss.

Transitional Provision

5. Where immediately before the coming into force of these Regulations a body was authorised to carry on and was carrying on any insurance business which, if the Regulations had then been in force, would have been insurance business of class 18, the body shall be authorised to carry on business of that class by virtue of this provision.

10th December 1987

Francis Maude
Parliamentary Under-Secretary of State,
Department of Trade and Industry

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

SCHEDULE

Regulation 2(b)

Number	Description	Nature of business
18	Assistance	<p>Effecting and carrying out contracts of insurance providing either or both of the following benefits, namely—</p> <p>(a) assistance (whether in cash or in kind) for persons who get into difficulties while travelling, while away from home or while away from their permanent residence, or</p> <p>(b) assistance (whether in cash or in kind) for persons who get into difficulties otherwise than as mentioned in paragraph (a) above.</p>

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement the Assistance Directive (84/641/EEC) by amending the Insurance Companies Act 1982 and its subordinate legislation, to create a new general business class 18. This class comprises all types of benefits in-cash or in-kind insurance in which assistance is given to the policy holder. The exemption from authorisation and supervision already enjoyed by motoring associations in respect of some types of benefits-in-kind insurance is continued with some modification of the nature and extent of the benefits which may be provided.