
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the Insurance Companies Regulations 1981 by restricting the ability of an insurance company to which Part II of the Insurance Companies Act 1982 applies or a member of Lloyd's to enter into long-term insurance contracts under which the benefits payable are determined wholly or partly by reference to units in a fund which is neither an authorised unit trust scheme nor a recognised scheme within the meaning of the Financial Services Act 1986. The relevant provisions do not apply to a contract entered into before 1st February 1992 except in the circumstances set out in the amendment to the Insurance Companies Regulations 1981 made by regulation 2 of the Regulations.

The Regulations also amend the Insurance Regulations 1981 by permitting an insurance company to which Part II of the Insurance Companies Act 1982 applies or a member of Lloyd's to enter into long-term insurance contracts under which the benefits payable are determined wholly or partly by reference to units in an authorised unit trust scheme or a recognised scheme.