
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Insurance Companies Act 1982 (“the 1982 Act”). The main purpose of the Regulations is to amend the 1982 Act to implement Article 15 of Council Directive [90/619/EEC](#) relating to life assurance (O.J. No. L330, 29.11.90, p.50) as amended by Article 30 of Council Directive [92/96/EEC](#) relating to life assurance (O.J. No. L360, 9.12.92, p.1). Article 15 of Council Directive [90/619/EEC](#) gives a policy holder who has purchased an individual life assurance contract on a cross border basis a period of between 14 and 30 days during which he may cancel that contract. Member States may remove this right of cancellation from contracts of six months' duration or less. Article 30 of Council Directive [92/96/EEC](#) extends this right of cancellation to any policy holder who purchases an individual life assurance contract from an insurance undertaking with a head office in a member State. This right of cancellation may be removed where the policy holder does not require protection because of his status or because of the circumstances in which the contract is concluded.

The provisions to implement Article 15 of Council Directive [90/619/EEC](#) as amended by Article 30 of Council Directive [92/96/EEC](#) are contained in regulation 2. Regulation 3 further implements Council Directive [90/618/EEC](#) (O.J. No. L330, 29.11.90, p.44) by inserting a definition of “relevant motor vehicle risks” into section 81A of the 1982 Act.

Regulation 1 makes provision for the citation and commencement of the Regulations and defines the 1982 Act.

Regulation 2 amends section 75 of the 1982 Act by:

- (a) extending subsection (1) to apply to industrial insurance and to insurance companies providing insurance in the United Kingdom in accordance with Part IIIA of the 1982 Act;
- (b) inserting a new subsection (1A) which permits the notice of cancellation to be delivered by hand;
- (c) inserting a new subsection (1B) which requires an insurer which has entered into an EC contract to inform the other party when that contract becomes binding;
- (d) inserting a new subsection (5A) which disapplies section 75(1) where the party to the contract other than the insurer is habitually resident in a member State other than the United Kingdom;
- (e) inserting a new subsection (5B) which defines “EC contract” and “non-EC contract”; and
- (f) inserting a new subsection (5C) which provides that, where there are two or more parties to the contract other than the insurer, sections 75 and 76 apply as if the insurer had entered into a separate contract with each of those parties.

It also amends section 76 of the 1982 Act by:

- (a) amending subsection (1) to give a person who has taken out an EC contract a 14 day period during which he may cancel the contract, commencing on the date on which he was informed that the contract became binding; and
- (b) extending subsection (2) to EC contracts.

Regulation 3 renumbers section 49A of the 1982 Act concerning modifications of section 49 in certain cases and inserts a new subsection (1A) into section 81A of the 1982 Act to define the term

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“relevant motor vehicle risks”. The insertion of this definition of “relevant motor vehicle risks” by regulation 3(2) further implements Council Directive [90/618/EEC](#) (O.J. No. L330, 29.11.90, p.44).