

2001 No. 2968

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Treatment of Assets of Insurers on Winding Up) Regulations 2001

Made - - - - - 23rd August 2001

Laid before Parliament 24th August 2001

Coming into force in accordance with regulation 1

The Treasury, in exercise of the powers conferred on them by sections 378 and 428(3) of the Financial Services and Markets Act 2000(a), hereby make the following Regulations:

Citation, commencement and application

1.—(1) These Regulations may be cited as the Financial Services and Markets Act 2000 (Treatment of Assets of Insurers on Winding Up) Regulations 2001 and come into force on the relevant day.

(2) These Regulations apply to the winding up of an insurer which commences on or after the relevant day.

Interpretation

2. In these Regulations—

“the Act” means the Financial Services and Markets Act 2000;

“contract of long-term insurance” has the meaning given by article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(b);

“insurer” has the meaning given by article 2 of the Financial Services and Markets Act 2000 (Insolvency) (Definition of “Insurer”) Order 2001(c);

“the relevant day” means the day on which section 19 of the Act comes into force.

Treatment of assets

3.—(1) Where an insurer is being wound up—

(a) the assets representing the fund or funds maintained by the insurer in respect of its business of effecting or carrying out any contract of long-term insurance are to be available only for meeting the liabilities of the insurer attributable to that business; and

(b) the other assets of the insurer are to be available only for meeting the liabilities of the insurer attributable to its other business.

(2) Where the value of the assets mentioned in either sub-paragraph of paragraph (1) exceeds the amount of the liabilities mentioned in that sub-paragraph, the restriction imposed by that paragraph does not apply to so much of those assets as represents the excess.

(a) 2000 c. 8.

(b) S.I. 2001/544.

(c) S.I. 2001/2634.

General meetings of creditors

4. In relation to the assets falling within either sub-paragraph of regulation 3(1), the creditors mentioned in section 168(2) of the Insolvency Act 1986^(a) or, as the case may be, Article 143(2) of the Insolvency (Northern Ireland) Order 1989^(b) are to be only those who are creditors in respect of liabilities falling within that sub-paragraph; and, accordingly, any general meetings of creditors summoned for the purposes of that section (or, as the case may be, that Article) are to be separate general meetings of the creditors in respect of the liabilities falling within each sub-paragraph.

John Heppell
Tony McNulty

23rd August 2001

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide that assets representing an insurer's long-term business should be available only for meeting liabilities attributable to that business (and likewise with the assets and liabilities relating to its other business). They also provide for separate general meetings of the creditors to be held in respect of liabilities attributable to an insurer's long-term business and its other business.

(a) 1986 c.45.

(b) S.I. 1989/2405 (N.I. 19).

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