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SCHEDULES

SCHEDULE 1

Section 1.

CLASSES OF LONG TERM BUSINESS

Number	Description	Nature of business
I	Life and annuity.	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life, but excluding (in each case) contracts within Class iii below.
II	Marriage and birth.	Effecting and carrying out contracts of insurance to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.
III	Linked long term.	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified).
IV	Permanent health.	Effecting and carrying out contracts of insurance providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of

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		sickness or infirmity, being contracts that— (a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time, and (b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.
V	Tontines.	Effecting and carrying out tontines.
VI	Capital redemption.	Effecting and carrying out capital redemption contracts.
VII	Pension fund management.	Effecting and carrying out— (a) contracts to manage the investments of pension funds, or (b) contracts of the kind mentioned in paragraph (a) above that are combined with contracts of insurance covering either conservation of capital or payment of a minimum interest.

SCHEDULE 2

Sections 1 and 3.

GENERAL BUSINESS

PART I

CLASSES

Number	Description	Nature of business
1	Accident.	Effecting and carrying out contracts of insurance

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Number	Description	Nature of business
2	Sickness.	<p>providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of both) against risks of the person insured—</p> <ul style="list-style-type: none"> (a) sustaining injury as the result of an accident or of an accident of a specified class, or (b) dying as the result of an accident or of an accident of a specified class, or (c) becoming incapacitated in consequence of disease or of disease of a specified class, <p>inclusive of contracts relating to industrial injury and occupational disease but exclusive of contracts falling within class 2 below or within class IV in Schedule 1 to this Act (permanent health).</p>
3	Land vehicles.	<p>Effecting and carrying out contracts of insurance providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of the two) against risks of loss to the persons insured attributable to sickness or infirmity, but exclusive of contracts falling within class IV in Schedule 1 to this Act.</p>
3	Land vehicles.	<p>Effecting and carrying out contracts of insurance against loss of or damage to vehicles used on land, including motor vehicles but excluding railway rolling stock.</p>
4	Railway rolling stock.	<p>Effecting and carrying out contracts of insurance against loss of or damage to railway rolling stock.</p>
5	Aircraft.	<p>Effecting and carrying out contracts of insurance</p>

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Number	Description	Nature of business
6	Ships.	upon aircraft or upon the machinery, tackle, furniture or equipment of aircraft. Effecting and carrying out contracts of insurance upon vessels used on the sea or on inland water, or upon the machinery, tackle, furniture or equipment of such vessels.
7	Goods in transit.	Effecting and carrying out contracts of insurance against loss of or damage to merchandise, baggage and all other goods in transit, irrespective of the form of transport.
8	Fire and natural forces.	Effecting and carrying out contracts of insurance against loss of or damage to property (other than property to which classes 3 to 7 above relate) due to fire, explosion, storm, natural forces other than storm, nuclear energy or land subsidence.
9	Damage to property.	Effecting and carrying out contracts of insurance against loss of or damage to property (other than property to which classes 3 to 7 above relate) due to hail or frost or to any event (such as theft) other than those mentioned in class 8 above.
10	Motor vehicle liability.	Effecting and carrying out contracts of insurance against damage arising out of or in connection with the use of motor vehicles on land, including third-party risks and carrier's liability.
11	Aircraft liability.	Effecting and carrying out contracts of insurance against damage arising out of or in connection with the use of aircraft, including third-party risks and carrier's liability.

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Number	Description	Nature of business
12	Liability for ships.	Effecting and carrying out contracts of insurance against damage arising out of or in connection with the use of vessels on the sea or on inland water, including third-party risks and carrier's liability.
13	General liability.	Effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, the risks in question not being risks to which class 10, 11 or 12 above relates.
14	Credit.	Effecting and carrying out contracts of insurance against risks of loss to the persons insured arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due.
15	Suretyship.	Effecting and carrying out— (a) contracts of insurance against risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them; (b) contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee.
16	Miscellaneous financial loss.	Effecting and carrying out contracts of insurance against any of the following risks, namely— (a) risks of loss to the persons insured attributable to interruptions of the carrying on of business

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17	Legal expenses.	<p>carried on by them or to reduction of the scope of business so carried on;</p> <p>(b) risks of loss to the persons insured attributable to their incurring unforeseen expense;</p> <p>(c) risks neither falling within paragraph (a) or (b) above nor being of a kind such that the carrying on of the business of effecting and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class.</p> <p>Effecting and carrying out contracts of insurance against risks of loss to the persons insured attributable to their incurring legal expenses (including costs of litigation).</p>

PART II

GROUPS OF CLASSES

Number	Description	Nature of business
1	Accident and health.	Classes 1 and 2.
2	Motor.	Class 1 (to the extent that the relevant risks are risks of the person insured sustaining injury, or dying, as the result of travelling as a passenger) and classes 3, 7 and 10.
3	Marine and transport.	Class 1 (to the said extent) and classes 4, 6, 7 and 12.
4	Aviation.	Class 1 (to the said extent) and classes 5, 7 and 11.
5	Fire and other damage to property.	Classes 8 and 9.

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Number	Description	Nature of business
6	Liability.	Classes 10, 11, 12 and 13.
7	Credit and suretyship.	Classes 14 and 15.
8	General.	All classes.

SCHEDULE 3

Section 7.

DETERMINATION OF PREMIUM LIMIT

- 1 Subject to the following provisions of this Schedule, the premium limit for the purposes of section 7(6) above is the aggregate of the amounts of gross premiums shown in the annual accounts relating to the business of the applicant in the United Kingdom last deposited under section 18 of the 1974 Act as receivable in respect of general business in the financial year to which the accounts relate.
- 2 If the accounts so deposited relate to a financial year which is not for a period of 12 months, the aggregate of the amounts of gross premiums shown in the accounts as receivable in that financial year shall be divided by the number of months in that financial year and multiplied by twelve.
- 3 If no accounts have been deposited under section 18 of the 1974 Act the aggregate amount of gross premiums shall be the amount or, if more than one amount, the lower or lowest amount, shown in respect of gross premiums relating to the business of the applicant in the United Kingdom in the financial forecast last submitted by the applicant in accordance with regulations made for the purposes of section 5(1)(a) above.

SCHEDULE 4

Section 36.

MINOR AND CONSEQUENTIAL AMENDMENTS

PART I

AMENDMENTS OF INSURANCE COMPANIES ACT 1974

- 1 In section 12 of the Insurance Companies Act 1974—
 - (a) in subsection (3) the words from " or in Northern Ireland " to " trade unions " shall be omitted, and for the words from " the same " to the end there shall be substituted the words " (throughout the United Kingdom) the meanings assigned to them by section 28 of the Trade Union and Labour Relations Act 1974 " ; and
 - (b) in subsection (5) for the words " pecuniary loss insurance business" there shall be substituted the words " general business of class 14, 15, 16 or 17 ".
- 2 References in section 23(1) and (2) to either or both of the classes of long term business shall be construed as references to ordinary long-term insurance business or industrial assurance business or both of those kinds of insurance business.

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- 3 In section 26(5), for the words "section 7(2)(c) above" there shall be substituted the words " section 7(4)(c) of the Insurance Companies Act 1981 ".
- 4 In section 28—
- (a) in subsection (1) for the words " sections 29 " there shall be substituted the words " sections 30 ".
 - (b) in subsection (4) for the words " 29 to 34 " there shall be substituted the words " 30, 33, 34 " and for the words "7(2)(c) above" there shall be substituted the words " 7(4)(c) of the Insurance Companies Act 1981 "
 - (c) in subsections (5) and (6) for the words " sections 29" there shall be substituted the words " sections 30 ";
 - (d) in subsection (7) for the words " (1)(6) to (e), (2)" there shall be substituted the words " (1)(b) to (g) ".
- 5 In section 34, at the end of subsection (3) there shall be added the words " , and subsection (1A) of that section shall apply to an investigation made in pursuance of this section as it applies to an investigation to which subsection (1)(b) of that section relates. "
- 6 In section 39—
- (a) in subsection (1) for the words from " sections 29" to " manager of the company " there shall be substituted the words " sections 30 to 37 above on the ground that he would be prohibited from issuing an authorisation to the company because of the unfitness of a person for the position held by him (not being that of controller of the company) "; and
 - (b) in subsection (5) for the words from "to be" to the end there shall be substituted the words " to hold the position concerned ".
- 7 In section 40(1), for the words " sections 29 " there shall be substituted the words " sections 30 ".
- 8 In section 41—
- (a) at the end of subsection (1) there shall be added the words " or the Insurance Companies Act 1981 ", and
 - (b) in subsection (1A) after the words "Insurance Companies Act 1980 " there shall be inserted the words " or under the Insurance Companies Act 1981 ".
- 9 In section 46, in paragraph (6) of subsections (1) and (1A), at the end, there shall be inserted the words " or by virtue of the Insurance Companies Act 1981 ".
- 10 In section 57(4) for the words from " 21 " to " this Act" there shall be substituted the words " and 21 to 27 of this Act, section 15 of the Insurance Companies Act 1981 ".
- 11 In section 61(1), in paragraph (c)(iv), at the end, there shall be added the words " or made available under section 25(2)(b) of the Insurance Companies Act 1981 ".
- 12 In section 65(1) for the words from " of a kind " to " 83(2) below " there shall be substituted the words " the effecting of which constitutes the carrying on of ordinary long-term insurance business ".
- 13 In section 68(1) for the words from " of the kinds " to " 83(2) below " there shall be substituted the words " the effecting of which constitutes the carrying on of ordinary long-term insurance business and ".
- 14 In sections 79 to 82, after the words "under this Act" where-ever they occur there shall be inserted the words " or the Insurance Companies Act 1981 ".

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- 15 (1) Section 85 shall be amended as follows.
- (2) In the definition of " chief executive " for the words " section 7 above " there shall be substituted the words " section 7 of the Insurance Companies Act 1981 ".
- (3) For the definition of " contract of insurance " there shall be substituted—
“ contract of insurance' includes any contract the effecting of which constitutes the carrying on of insurance business by virtue of section 34 of the Insurance Companies Act 1981.”
- (4) In the definition of " controller" for the words " section 7 above" there shall be substituted the words " section 7 of the Insurance Companies Act 1981 ".
- (5) In the definition of " general business " for the words " section 1(2) above " there shall be substituted the words " section 1 of the Insurance Companies Act 1981 ".
- (6) In the definition of " long term business" for the words " section 1(2) above " there shall be substituted the words " section 1 of the Insurance Companies Act 1981 ".
- (7) After the definition of " long term policy holder " there shall be inserted—
“ main agent ' has the meaning given in section 7 of the Insurance Companies Act 1981”.
- (8) In the definition of "manager" for the words "section 7 above" there shall be substituted the words " section 7 of the Insurance Companies Act 1981 ".
- (9) After the definition of "manager" there shall be inserted—
“ margin of solvency ', 'United Kingdom margin of solvency' and ' Community margin of solvency' shall be construed in accordance with section 26A above”.
- (10) For the definition of " ordinary long-term insurance business " there shall be substituted—
“ ordinary long-term insurance business ' means long term business that is not industrial assurance business”.
- 16 In section 87, after the words " this Act " there shall be inserted the words " or the Insurance Companies Act 1981 ".

PART II

OTHER AMENDMENTS

- 17 In section 20(2) of the Insurance Companies Act 1958 for the words " the amount required by section 44 of the Insurance Companies Act 1974 " there shall be substituted the words " £50,000 ".
- 18 In section 111(1) of the Companies Act 1967, after the words " or the Insurance Companies Act 1974" (in both places) there shall be inserted the words " or the Insurance Companies Act 1981 ".
- 19 In section 1(3)(b) of the Employers' Liability (Compulsory Insurance) Act 1969 for the words from " Great Britain " to " 1974 " there shall be substituted the words " the United Kingdom insurance business of a class specified in Schedule 1 or 2 to the Insurance Companies Act 1981 ".

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- 20 In section 24(3) of the Fire Services Act (Northern Ireland) 1969 for the words from " for " to the end there shall be substituted the words " insurance business within Group 1 in Part II of Schedule 2 to the Insurance Companies Act 1981 ".
- 21 In Article 5(3)(b) of the Employer's Liability (Defective Equipment and Compulsory Insurance) (Northern Ireland) Order 1972 for the words from " Northern Ireland " to " 1974 " there shall be substituted the words " the United Kingdom insurance business of a class specified in Schedule 1 or 2 to the Insurance Companies Act 1981 ".
- 22 In section 145(2) of the Road Traffic Act 1972 for the words from " motor " to " Britain " there shall be substituted the words " insurance business within Group 2 in Part II of Schedule 2 to the Insurance Companies Act 1981 ".
- 23 In section 87(1) of the Solicitors Act 1974—
- (a) for the definition of "liability insurance business" there shall be substituted—
 - “ liability insurance business ' means insurance business within class 13 in Schedule 2 to the Insurance Companies Act 1981”and
 - (b) for the definition of "pecuniary loss insurance business" there shall be substituted—
 - “ pecuniary loss insurance business ' means insurance business within class 1, 2, 14, 15, 16 or 17 in Schedule 2 to the Insurance Companies Act 1981”.
- 24 In paragraph 11(10A) of Schedule 5 to the Finance Act 1975 for the words from " Part I" to " 1974 " there shall be substituted " section 3 or 4 of the Insurance Companies Act 1981 ".
- 25 (1) The Policyholders Protection Act 1975, shall be amended as follows.
- (2) In section 3(2) for the words from " permitted " to " 1974 " there shall be substituted the words " authorised under section 3 or 4 of the Insurance Companies Act 1981 ".
 - (3) In section 8(4), for the words from "not being" to the end there shall be substituted the words " other than class 5, 6, 7, 11 or 12, not being a contract of reinsurance ".
 - (4) In subsections (1) and (3) of section 28 after the words " Insurance Companies Act 1974 " there shall be inserted the words " or the Insurance Companies Act 1981 ".
 - (5) In section 29 after the words " Insurance Companies Act 1974 " there shall be inserted the words " or the Insurance Companies Act 1981 " ; and at the end there shall be added the words " or the said Act of 1981 ".
- 26 In section 29(1) of the Insurance Brokers (Registration) Act 1977—
- (a) in the definition of " authorised insurers " for the words " liability insurance business or pecuniary loss insurance business " there shall be substituted the words " insurance business of class 13 or of classes 1, 2, 14, 15, 16 and 17 in Schedule 2 to the Insurance Companies Act 1981 "; and
 - (b) in the definition of " insurance business" for the words from " of any" to " assurance business" there shall be substituted the words " other than industrial assurance business (within the meaning of section 1(2) of the Industrial Assurance Act 1923 or Articles 2(2) and 3(1) of the Industrial Assurance (Northern Ireland) Order 1979). "
- 27 In paragraph 8 of Schedule 1 to the Banking Act 1979 for the words from " by virtue of " onwards there shall be substituted the words " under section 3 or 4 of the

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- Insurance Companies Act 1981 to carry on insurance business of a class specified in Schedule 1 or 2 to that Act ".
- 28 In Article 3(4) of the Industrial Assurance (Northern Ireland) Order 1979—
- (a) for the words " Act 1974 and in particular to section 2(2) of that Act" there shall be substituted the words " Acts 1974 and 1981 and in particular to sections 2(3) and 3(2) of that Act of 1981 ";
 - (b) for the words " section 3 of that Act" there shall be substituted the words " section 3 of that Act of 1981 ".
- 29 In Article 101(1) of the Road Traffic (Northern Ireland) Order Site) 1981—
- (a) for the words " in Northern Ireland a motor vehicle insurance business" there shall be substituted the words " insurance business within group 2 in Part II of Schedule 2 to the Insurance Companies Act 1981 " and
 - (b) for " 1974 " there shall be substituted " 1981 ".

SCHEDULE 5

Section 36.

REPEALS

PART I

ACTS

Chapter	Short Title	Extent of Repeal	
1967 c. 81.	The Companies Act 1967.	In section 110(1), the words " or section 36 of the Insurance Companies Act 1974".	
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 19(2)(a)(ii), the words from " or of " to " Northern Ireland"; and the words from " or as " to " 1968 ".	In section 323(2), in the definition of " insurance company ", and in the definition of " periodical return ", the words from " or " to " 1968 ".
1973 c. 58.	The Insurance Companies Amendment Act 1973.	In Schedule 1, paragraph 15.	
1974 c. 49.	The Insurance Companies Act 1974.	Sections 1 to 11.	In section 12(3), the words from " or in " to " trade unions ".

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Chapter	Short Title	Extent of Repeal
		<p>In section 12(4), the words from " or of " to " the Secretary of State ".</p> <p>In section 14(1)(a), the words from " including " to " thereof".</p> <p>Section 23(3) and (4).</p> <p>In section 25(6), the words " made in anticipation of it ".</p> <p>Section 28(2).</p> <p>In section 28(6), the words " 38 or ".</p> <p>Section 29.</p> <p>In section 34(1)(a), the words " (including a valuation of its liabilities)".</p> <p>Section 38.</p> <p>Section 40(3) and (4).</p> <p>Section 42(10).</p> <p>Section 44.</p> <p>In section 56(2), the words from " relevant " to " Act ".</p> <p>In section 56(4), the reference to section 44.</p> <p>Section 58.</p> <p>In section 60(2), the reference to section 38.</p> <p>In section 61(1)(a), the words from " or with" to " 29 above ".</p> <p>Section 64(3).</p> <p>In section 65(1) the words from " or of " to " the Secretary of State ".</p> <p>In section 65(3), the words from the beginning to " cases; and ".</p> <p>In section 68(1)(a) the words from " or of" to " the Secretary of State ".</p>

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1975 c. 75.	The Policyholders Protection Act 1975.	<p>In section 68(4), the words from the beginning to " circumstances; and".</p> <p>In section 73(4) the words from " or the " to " may be " and the words " or managing body ".</p> <p>In section 73(6) the words from " or the" to " may be".</p> <p>In section 73(7) the words from " or the" to " may be".</p> <p>In section 74(1) the words from "and the" to "this Act" and the words from " or of" to "maybe".</p> <p>Section 75(1).</p> <p>Sections 83 and 84.</p> <p>In section 85 the definitions of " authorisation ", " capital redemption business", " hovercraft to which this Act applies ", " hovertrain ", " liability insurance business ", " marine aviation and transport insurance business ", " motor vehicle insurance business ", " pecuniary loss insurance business", " personal accident insurance business" and " property insurance business ".</p> <p>In section 86(2), the words from " and the " to " above ".</p> <p>In section 86(3), the words from " and no " to the end.</p> <p>In Schedule 1, the amendments of section 110(1) of the Companies Act 1967 and section 1 of the Employers' Liability (Compulsory Insurance) Act 1969.</p> <p>In section 10(1), the words " of either class ".</p>

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1980 c. 25.	The Insurance Companies Act 1980.	<p>In section 19(9), the words " of either class " .</p> <p>In section 32(2), paragraph (b) and the word " and" preceding it.</p> <p>Section 3(2) and (3).</p> <p>In Schedule 1, paragraphs 1 to 5, 6(6), 13, 15(a), 17(e), 19 and 29(a).</p> <p>In Part I of Schedule 2— the words from " The Insurance Companies (Accounts and Forms) Regulations 1968 " to " 1571)."; the entry relating to the Insurance Companies (Accounts and Forms) (Amendment) Regulations 1975; the words from " The Insurance Companies (Accounts and Forms) (Amendment) Regulations 1976" to "869)."; the words from " The Insurance Companies (Accounts and Forms) (Amendment) (No. 3)" to "721)"; and the entry relating to the Lloyd's (General Business) Regulations 1979.</p> <p>In Part II of Schedule 2, paragraphs 1 to 7 and 15.</p> <p>In Schedule 3, paragraphs 5, 7, 8 and 15(a) and (c).</p>

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PART II

STATUTORY INSTRUMENTS

Number	Title
S.I. 1977 No. 1552.	The Insurance Companies (Classes of General Business) Regulations 1977.
S.I. 1977 No. 1553.	The Insurance Companies (Solvency: General Business) Regulations 1977.
S.I. 1978 No. 720.	The Insurance Companies (Authorisation and Accounts: General Business) Regulations 1978.
S.I. 1978 No. 917.	The Insurance Companies (Deposits) Regulations 1978.
S.I. 1979 No. 956.	The Lloyd's (General Business) Regulations 1979.
S.I. 1980 No. 956.	The Insurance (Transfer of General Business) Regulations 1980.