



# Finance Act 2012

## 2012 CHAPTER 14

### PART 2

#### INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

### CHAPTER 1

#### INTRODUCTORY

*Meaning of contract of “insurance” or “long-term insurance” and “insurance company”*

**64 Meaning of “contract of insurance” and “contract of long-term insurance”**

For the purposes of this Part—

“contract of insurance” has the meaning given by article 3(1) of the FISMA (Regulated Activities) Order 2001, and

“contract of long-term insurance” means a contract which falls within Part 2 of Schedule 1 to that Order.

**65 Meaning of “insurance company”**

(1) This section defines for the purposes of this Part what is meant by an “insurance company”.

(2) A person who carries on the activity of effecting or carrying out contracts of insurance is an “insurance company” if—

(a) the person has permission under Part 4 of FISMA 2000 to carry on that activity,

(b) the person is of the kind mentioned in paragraph 5(d) or (da) of Schedule 3 to FISMA 2000 (EEA passport rights) and carries on that activity in the United Kingdom through a permanent establishment there, or

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*Status: This is the original version (as it was originally enacted).*

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- (c) the person qualifies for authorisation under Schedule 4 to FISMA 2000 (Treaty rights) and carries on that activity in the United Kingdom through a permanent establishment there.
- (3) The above definition is subject to the following qualifications—
- (a) a friendly society within the meaning of Part 3 is not an insurance company, and
  - (b) an insurance special purpose vehicle (see section 139) is an insurance company only if, in addition to falling within subsection (2)(a), (b) or (c), it is a BLAGAB group re-insurer.
- (4) A person is a “BLAGAB group re-insurer” if for an accounting period—
- (a) the person carries on basic life assurance and general annuity business,
  - (b) it is not the case that substantially all of the person’s long-term business is long-term business other than basic life assurance and general annuity business, and
  - (c) all of its life assurance business is re-insurance business of a description which is excluded business for the purposes of section 57(2)(e).