



Insurance Companies Act 1958

1958 CHAPTER 72

Preliminary

1 Companies to which Act applies

- (1) Subject to the provisions of this section, this Act applies to all insurance companies, whether established within or outside Great Britain, which carry on within Great Britain insurance business of all or any of the following classes, that is to say, life assurance business, industrial assurance business, fire insurance business, accident insurance business, bond investment business, motor vehicle insurance business, and marine, aviation and transit insurance business.
- (2) Subject to the provisions of this section, this Act also applies to any insurance company, whether established within or outside Great Britain, which carries on within Great Britain employers' liability insurance business and no other insurance business of a class specified in the foregoing subsection.
- (3) A company as defined by section four hundred and fifty-five of the Companies Act, 1948, which carries on insurance business of a class specified in subsection (1) of this section in any part of the world other than Great Britain shall for the purposes of that subsection be deemed to be a company carrying on such business within Great Britain.
- (4) Where this Act applies to an insurance company by reason that it carries on insurance business of a class specified in subsection (1) of this section, and the company also carries on employers' liability insurance business, it shall not, in relation to its employers' liability insurance business, be bound by the provisions of this Act.
- (5) This Act does not apply to any insurance company which is registered under the Acts relating to friendly societies or to trade unions; and the Board of Trade may, on the application of an unregistered trade union originally established before the first day of July, eighteen hundred and ninety, extend to it the exemption conferred by this subsection, and may on the application of an unregistered friendly society extend to it the said exemption if it appears to the Board, after consulting the Chief Registrar of Friendly Societies, that the society is one to which it is inexpedient that this Act should apply.

Status: This is the original version (as it was originally enacted).

- (6) This Act does not apply to a member of Lloyd's, or of any other association of underwriters approved by the Board of Trade, who carries on insurance business of any class, provided that he complies with the requirements set out in the First Schedule to this Act and applicable to business of that class.

Restriction on carrying on of insurance business

2 Minimum paid up share capital

- (1) Subject to the provisions of subsections (5) and (6) of section one of this Act and of the Second Schedule thereto, no person shall carry on in Great Britain insurance business of a class specified in subsection (1) of the said section one, Or employers' liability insurance business and no other insurance business of a class so specified, except a company incorporated, whether under the Companies Act, 1948, or otherwise, and having a paid up share capital of not less than fifty thousand pounds:

Provided that this subsection shall not apply to any insurance company which, immediately before the twenty-ninth day of October, nineteen hundred and forty-five, was carrying on in Great Britain insurance business of a class specified in section one of this Act in compliance with such of the provisions of the Assurance Companies Act, 1909, as then applied to the company and to that class of business.

- (2) If any person contravenes the provisions of the foregoing subsection, then—
- (a) in a case where that person is not a body corporate, he shall be liable on summary conviction to imprisonment for a term not exceeding three months, or on conviction on indictment to imprisonment for a term not exceeding two years; and
 - (b) in a case where that person is a body corporate—
 - (i) the body corporate may be wound up by the court under the Companies Act, 1948, on a petition of the Board of Trade presented by leave of the court; and
 - (ii) any director, manager, secretary or other officer or agent of the body corporate shall be liable to the penalty provided in paragraph (a) of this subsection, unless he proves that the contravention occurred without his knowledge or that he used all due diligence to prevent the occurrence thereof.
- (3) Subject to the provisions of the Second Schedule to this Act, the statutory declaration required by section one hundred and nine of the Companies Act, 1948, to be delivered to the registrar of companies before a company to which that section applies commences business shall, in the case of a company (other than a company to which this Act does not apply) registered after the fifth day of March, nineteen hundred and forty-six, the objects whereof include the carrying on of insurance business of a class specified in subsection (1) of section one of this Act, or of employers' liability insurance business and no other insurance business of a class so specified, include a statement that not less than fifty thousand pounds of the company's share capital has been paid up.

Accounts, etc.

3 Separation of funds relating to certain classes of business

(1) Subject to the provisions of this Act, where an insurance company to which this Act applies—

- (a) carries on, together with other business, insurance business of one only of the classes to which this section applies, or
- (b) carries on, with or without other business, insurance business of two or more of the said classes,

the receipts of that class of insurance business, or of each of those classes of insurance business, as the case may be, shall be entered in a separate account and shall be carried to and form a separate insurance fund with an appropriate name:

Provided that nothing in this subsection shall require the investments of any such fund to be kept separate from the investments of any other fund.

(2) Subject as aforesaid, a fund of any particular class—

- (a) shall be as absolutely the security of the policy holders of that class as though it belonged to a company carrying on no other business than insurance business of that class;
- (b) shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of insurance of that class; and
- (c) shall not be applied, directly or indirectly, for any purposes other than those of the class of business to which the fund is applicable.

(3) This section shall not apply in the case of a company carrying on life assurance business or industrial assurance business and established before the ninth day of August, eighteen hundred and seventy, by the terms of whose deed of settlement the whole of the profits of all the business carried on by the company are paid exclusively to the life policy holders, and on the face of whose life policies there distinctly appears the liability, in respect of the other business, of the life assurance fund or the industrial assurance fund, or, in the case of a company carrying on both life and industrial assurance business, of either or both of those funds, as the case may be.

(4) Nothing in paragraph (b) of subsection (2) of this section shall affect the liability of the life assurance fund or the industrial assurance fund of a company established before the ninth day of August, eighteen hundred and seventy, for contracts entered into by the company before that date.

(5) This section applies to insurance business of the following classes, namely, life assurance business, industrial assurance business, bond investment business and employers' liability insurance business.

4 Preparation of annual accounts and balance sheets

Every insurance company to which this Act applies shall, at the expiration of each financial year of the company, prepare in the prescribed form a revenue account for the year, a balance sheet and, except where the company carries on insurance business of one class only and no other business, a profit and loss account.

5 Periodic investigation of certain companies by actuary

- (1) Every insurance company to which this Act applies, being a company which carries on life assurance business, industrial assurance business or bond investment business.—
- (a) shall, once in every five years, or at such shorter intervals as may be prescribed by the deed of settlement of the company, or by its regulations or byelaws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary, and
 - (b) when such an investigation has been made, or when at any other time an investigation into the financial condition of the company has been made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary's report of the investigation to be made in the prescribed form:

Provided that, in the case of a mutual company carrying on life assurance business or industrial assurance business whose profits are allocated to members wholly or mainly by annual abatements of premium, the abstract of the actuary's report may be made at intervals not exceeding five years.

- (2) Where under the foregoing subsection an insurance company causes an abstract to be made of the report of an actuary on his investigation into the financial condition of the company, the company shall prepare in the prescribed form a statement of its insurance business at the date to which the accounts of the company are made up for the purposes of the investigation:

Provided that if the investigation is made annually, the company may prepare such a statement at any time, so that it be made at least once in every five years.

6 Statement of business by Committee of Lloyd's, etc.

- (1) The Committee of Lloyd's, and the managing body of every association of underwriters approved by the Board of Trade under and for the purposes of subsection (6) of section one of this Act, shall deposit every year with the Board a statement in the prescribed form summarising the extent and character of the insurance business done by the members of Lloyd's or of the association, as the case may be, in the twelve months to which the statement relates.
- (2) Regulations made for the purposes of this section may require the statement to deal separately with such classes or descriptions of business as may be specified in the regulations.

7 Statement of business by accident insurance company

Every insurance company to which this Act applies, being a company which carries on accident insurance business, shall annually prepare in the prescribed form a statement of that business.

8 Deposit of accounts, etc., with Board of Trade

- (1) Every account, balance sheet, abstract or statement required by the foregoing provisions of this Act (other than section six thereof) to be made shall be printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company and by the principal officer of the company and, if the company has a managing director, by the managing director, shall be deposited at the Board of Trade

within six months after the close of the period to which the account, balance sheet, abstract or statement relates:

Provided that, if in any case it is made to appear to the Board that the circumstances are such that a longer period than six months should be allowed, the Board may extend that period by such period not exceeding three months as they think fit.

- (2) The Board of Trade shall consider the documents deposited under the foregoing subsection, and if any such document appears to the Board to be inaccurate or incomplete in any respect the Board shall communicate with the company with a view to the correction of any such inaccuracies and the supply of deficiencies.
- (3) There shall be deposited with every revenue account and balance sheet of a company any report on the affairs of the company submitted to the shareholders or policy holders of the company in respect of the financial year to which the account and balance sheet relate.
- (4) Where an insurance company registered under the Companies Act, 1948, or under the former Companies Acts, in any year deposits its accounts and balance sheet in accordance with the provisions of this section, then, if the company at the same time sends a copy of the accounts and balance sheet to the registrar of companies.—
 - (a) section one hundred and twenty-seven of the said Act of 1948 (which requires certain documents to be annexed to the annual return made by a company) shall not then apply to that company, and
 - (b) the copy of the accounts and balance sheet so sent shall be dealt with in all respects as if it had been sent in compliance with the said section one hundred and twenty-seven.
- (5) In the case of a mutual company such as is mentioned in the proviso to subsection (1) of section five of this Act, the company shall, where the abstract required by the said subsection (1) is not made annually, include with the copies of each such abstract deposited under this section particulars as to the rates of abatement of premiums applicable to different classes or series of assurances allowed in each year during the period which has elapsed since copies of such an abstract were previously so deposited.
- (6) A printed copy of the accounts, balance sheet, abstract or statement last deposited under this section shall on the application of any shareholder or policy holder of the company be forwarded to him by the company by post or otherwise.

9 Audit of accounts

Where the accounts of an insurance company to which this Act applies are not subject to audit in accordance with the provisions of the Companies Act, 1948, or the Companies Clauses Consolidation Act, 1845, relating to audit, the accounts of the company shall be audited annually in the prescribed manner, and regulations made for the purposes of this section may apply to any such company the provisions of the said Act of 1948 relating to audit, subject to such adaptations and modifications as may appear necessary or expedient.

10 Accounts, etc., to be laid before Parliament

The Board of Trade shall lay annually before Parliament the accounts, balance sheets, abstracts, statements and other documents under this Act, or purporting to be under

this Act, deposited with them during the preceding year, except reports on the affairs of insurance companies submitted to the shareholders or policy holders thereof, and may append to such accounts, balance sheets, abstracts, statements or other documents any note of the Board thereon and any correspondence in relation thereto.

Amalgamations and transfers

11 Provisions as to certain amalgamations and transfers

- (1) Subject to the provisions of this section, where—
- (a) it is intended to amalgamate two or more insurance companies to which this Act applies and any of those companies carries on long term business or employers' liability insurance business, or
 - (b) it is intended to transfer long term business of any class or employers' liability insurance business from one insurance company to which this Act applies to another such company,

the directors of any one or more of those companies may apply to the court, by petition, to sanction the proposed arrangement, and the court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection thereto has been established:

Provided that where it is intended, in the case of an insurance company carrying on life assurance business or industrial assurance business, to amalgamate the company with another company or to transfer that business to another company, the court shall not sanction the amalgamation or transfer if it appears to the court that the life policy holders representing one-tenth or more of the total amount assured in the company dissent therefrom.

- (2) Before any application is made to the court under this section—
- (a) notice of the intention to make the application shall be published in the Gazette;
 - (b) except in relation to a transfer of employers' liability insurance business, a statement of the nature of the amalgamation or transfer, together with an abstract containing the material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which the agreement or deed is founded, including a report by an independent actuary, shall, unless the court otherwise directs, be transmitted to each policy holder of each company, being a life, endowment, sinking fund or bond investment policy holder, in the manner provided by section one hundred and thirty-six of the Companies Clauses Consolidation Act, 1845, for the transmission to shareholders of notices not requiring to be served personally ; and
 - (c) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy holders and shareholders at the offices of the companies for a period of fifteen days after the publication of the notice in the Gazette.
- (3) Subject to the provisions of this Act, no amalgamation or transfer such as is mentioned in subsection (1) of this section shall take place unless it is sanctioned by the court in accordance with this section;

Provided that this subsection shall not apply if any of the companies concerned in the amalgamation or transfer is registered or has its head office in Northern Ireland and the amalgamation or transfer has been sanctioned by the High Court of Justice in Northern Ireland.

- (4) This section shall not apply to an amalgamation or transfer if each of the companies concerned therein is registered or has its head office in Northern Ireland.
- (5) In this section " court" means the High Court of Justice in England and, in a case where any of the companies concerned in an amalgamation or transfer is registered or has its head office in Scotland, includes the Court of Session.

12 Statements relating to amalgamation or transfer to be deposited with Board of Trade

Where an amalgamation or transfer such as is mentioned in subsection (1) of section eleven of this Act takes place, being an amalgamation or transfer to which that section applies, the combined company or the purchasing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation or transfer, deposit with the Board of Trade—

- (a) certified copies of statements of the assets and liabilities of the companies concerned in the amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer;
- (b) a certified copy of the agreement or deed under which the amalgamation or transfer is effected;
- (c) certified copies of the actuarial or other reports upon which that agreement or deed is founded; and
- (d) a declaration under the hand of the chairman of each company and the principal officer of each company that to the best of their belief every payment made or to be made to any person on account of the amalgamation or transfer is therein fully set out, and that no payments beyond those set out have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

Insolvency and winding up

13 Margin of solvency for general business

- (1) Subject to the provisions of the Second Schedule to this Act, an insurance company to which this Act applies, being a company which carries on general business, shall be deemed, for the purposes of section two hundred and twenty-two of the Companies Act, 1948 (which authorises the court to wind up a company unable to pay its debts), to be unable to pay its debts if the value of its assets does not exceed the amount of its liabilities by whichever is the greater of the following amounts, namely—
 - (a) fifty thousand pounds ; or
 - (b) one-tenth of the general premium income of the company in its last preceding financial year;

and the provisions of this Act relating to winding up shall have effect accordingly:

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

Provided that this section shall not apply to an insurance company unless and until a period of two years, or such longer period as the Board of Trade may in any case allow, has expired from the date of its commencing to carry on general business.

- (2) For the purposes of this section—
- (a) in computing the amount of the liabilities of an insurance company, all contingent and prospective liabilities shall be taken into account, but not liabilities in respect of share capital; and
 - (b) the general premium income of an insurance company in any year shall be taken to be the net amount, after deduction of any premiums paid by the company for reinsurance, of the premiums received by the company in that year in respect of all insurance business (whether or not being insurance business of a Class specified in section one of this Act) other than long term business.
- (3) Regulations made for the purposes of this section may require that, in every balance sheet prepared under section four of this Act by an insurance company carrying on general business, there shall be included a certificate—
- (a) in such form and signed by such persons as may be prescribed by the regulations ; and
 - (b) containing such a statement with respect to the assets and liabilities of the company as may be so prescribed ;
- and if any such company fails to comply with the regulations so made, the value of its assets shall, in any proceedings under this section for the winding up of the company, be deemed, until the contrary is proved, not to exceed the amount of its liabilities by the amount required by subsection (1) of this section.
- (4) Nothing in this section shall be taken as affecting the manner in which, on a winding up, any assets or liabilities are required to be dealt with, whether by virtue of section three of this Act or otherwise.

14 Investigation of company of doubtful solvency

- (1) The Board of Trade, by notice in writing served upon an insurance company to which this Act applies, being a company which may be wound up by the court under the provisions of the Companies Act, 1948—
- (a) may require the company to furnish to the Board within such time as may be specified in the notice such explanations, information, accounts, balance sheets, abstracts, and statements as they consider to be necessary for the purpose of determining whether the company is insolvent, or was insolvent at any date (not earlier than the close of the period to which the accounts and balance sheet of the company last deposited under section eight of this Act relate) specified in the notice, and
 - (b) may require any such explanations, information, accounts, balance sheets, abstracts, or statements to be signed by such number of the directors and by such officers of the company, and to be accompanied by such copies of documents, as may be specified in the notice, and to be certified as correct by an auditor approved by the Board, or by an actuary so approved, or by both such an auditor and such an actuary,
- (2) If, after a notice has been served upon an insurance company under the foregoing subsection, either—

- (a) the company does not, before the expiration of the time limited by the notice, comply with all the requirements of the notice, other than such requirements, if any, as may have been withdrawn by the Board, or
 - (b) the Board, after considering the material furnished pursuant to the said requirements, consider it to be expedient for the purpose aforesaid so to do,
- the Board may serve upon the company a notice in writing stating that they propose to appoint one or more inspectors to investigate the affairs of the company and to report thereon in such manner as the Board may require, and unless the company within a period of seven days from the date of the service of the notice upon it gives notice in writing to the Board that it objects to such an appointment being made, the Board may after the expiration of that period make such an appointment.
- (3) If the company within the said period gives notice in writing to the Board that it objects to such an appointment being made, the Board may apply to the court for leave to make such an appointment, and the court shall grant leave unless it is satisfied by the company that such an appointment cannot reasonably be required for the purpose aforesaid, and on leave being granted the Board may make such an appointment.
 - (4) Where an appointment is made under this section the provisions of sections one hundred and sixty-six and one hundred and sixty-seven of the Companies Act, 1948, shall apply with respect to an inspector appointed under this section in like manner as they apply to an inspector appointed under section, one hundred and sixty-four of that Act.
 - (5) The expenses of and incidental to an investigation carried out by an inspector appointed under this section shall be defrayed by the Board:
Provided that—
 - (a) where the court grants leave to make an appointment, the court may, if it thinks fit, direct the company to repay to the Board the whole or any part of the said expenses; and
 - (b) if an order for the winding up of the company by the court is made at any time within twelve months from the date on which the report of the inspector is made to the Board, or, if more than one report is so made, from the date when the first report is so made, the said expenses shall be deemed, for the purposes of the Companies Act, 1948, to be expenses properly incurred in the winding up and the amount thereof, after deducting any sum repaid to the Board pursuant to a direction given by the court under the foregoing paragraph, shall be paid out of the assets of the company *pari passu* with the taxed costs of the petition.
 - (6) In this section "the court" means the court having jurisdiction to wind up the company.

15 Winding up

- (1) The court may order the winding up, in accordance with the Companies Act, 1948, of an insurance company to which this Act applies (not being a company registered or having its head office in Northern Ireland), and the provisions of that Act shall apply accordingly, subject to the modification that the company may be ordered to be wound up on the petition of ten or more policy holders owning policies of an aggregate value of not less than ten thousand pounds:

Provided that such a petition shall not be presented except by leave of the court, and leave shall not be granted until a *prima facie* case has been established to the

satisfaction of the court and until security for costs for such amount as the court may think reasonable has been given.

- (2) The Board of Trade may, with the leave of the court, present a petition for the winding up, in accordance with the Companies Act, 1948, of an insurance company to which this Act applies, being a company which may be wound up by the court under the provisions of the said Act of 1948, on the ground—
 - (a) that the company is unable to pay its debts within the meaning of sections two hundred and twenty-two and two hundred and twenty-three of the said Act of 1948, or
 - (b) that, an inspector having been appointed to investigate the affairs of the company under section fourteen of this Act, any such refusal has taken place as, under subsection (3) of section one hundred and sixty-seven of the said Act of 1948, as applied by the said section fourteen, is, or might be, made the ground of the punishment of an officer or agent of the company.

In this subsection " the court" means the court having jurisdiction to wind up the company.

16 **Subsidiary companies**

- (1) Where the insurance business or any part of the insurance business of an insurance company has been transferred to an insurance company to which this Act applies under an arrangement in pursuance of which the first-mentioned company (in this section called the subsidiary company) or the creditors thereof has or have claims against the company to which the transfer was made (in this section called the principal company), then, if the principal company is being wound up by or under the supervision of the court, the court shall, subject to the provisions of this section, order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the court necessary, with a view to the companies being wound up as if they were one company.
- (2) The commencement of the winding up of the principal company shall, save as otherwise ordered by the court, be the commencement of the winding up of the subsidiary company.
- (3) In adjusting the rights and liabilities of the members of the several companies between themselves, the court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies, in the same manner as the court has regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single company, or as near thereto as circumstances admit.
- (4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is subsidiary, the court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the court is of opinion that the company is subsidiary to the principal company, and that the winding up of the company in conjunction with the principal company is just and equitable.
- (5) An application may be made in relation to the winding up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

- (6) Where a company stands in the relation of a principal company to one company, and in the relation of a subsidiary company to some other company, or where there are several companies standing in the relation of subsidiary companies to one principal company, the court may deal with any number of such companies together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

17 Supplemental provisions as to winding up

- (1) In any proceedings upon a petition to wind up an insurance company presented by the Board of Trade under subsection (2) of section fifteen of this Act, evidence that the company was insolvent at the close of the period to which the accounts and balance sheet of the company last deposited under section eight of this Act relate, or at any date specified in a notice served under subsection (1) of section fourteen of this Act, shall be evidence that the company continues to be unable to pay its debts, unless the contrary is proved.
- (2) Where an insurance company to which this Act applies is being wound up by the court, or subject to the supervision of the court, or voluntarily, the value of a policy of any class or of a liability under such a policy requiring to be valued in the winding up shall be estimated in the manner applicable to policies and liabilities of that class provided by the Third Schedule to this Act.
- (3) The rules in the Third and Fourth Schedules to this Act shall be of the same force, and may be revoked or amended, as if they were rules made in pursuance of section three hundred and sixty-five of the Companies Act, 1948; and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding up of insurance companies.

18 Reduction of contracts as alternative to winding up

In the case of an insurance company which has been proved to be unable to pay its debts, the court may, if it thinks fit, reduce the amount of the contracts of the company upon such terms and subject to such conditions as the court thinks just, in place of making a winding up order.

Deposits with Accountant-General of Supreme Court

19 Treatment of deposits

- (1) Every sum deposited with the Accountant-General of the Supreme Court under section two of the Assurance Companies Act, 1909, or under paragraph 1 of the Second Schedule to this Act shall be invested by the Accountant-General in such of the securities usually accepted by the court for the investment of funds placed under its administration as the company by whom the sum was deposited may select, and the interest accruing due thereon shall be paid to the company.
- (2) A deposit so made in respect of any class of business in respect of which a separate insurance fund is required to be kept shall be deemed to form part of that fund, and all interest accruing due on any such deposit or the securities in which it is for the time being invested shall be carried by the company to that fund.

20 Regulations as to deposits

- (1) Regulations may be made with respect to applications for warrants, the payment of deposits, and the investment thereof or dealing therewith, the deposit of stocks or other securities in lieu of money, the payment of interest from time to time accruing due on any securities in which deposits are for the time being invested, and the withdrawal and transfer of deposits.
- (2) The regulations made under the foregoing subsection in respect of the withdrawal of deposits shall include provision for allowing an insurance company to withdraw any deposit made by it if the Board of Trade are satisfied in manner provided by the regulations—
 - (a) in the case of a company carrying on general business, whether with or without long term business, that the value of the company's assets exceeds the amount of its liabilities by the amount required by section thirteen of this Act; or
 - (b) in the case of a company carrying on long term business but not general business, either that it has a paid up share capital of fifty thousand pounds or more, or—
 - (i) in the case of a company required to keep a separate fund or funds, that the value of the assets of the fund or of each such fund exceeds the amount of the liabilities to which it may be applied and that the excess, or, where more than one such fund is kept, the aggregate excess, is not less than fifty thousand pounds;
 - (ii) in the case of a company not so required, that the value of the company's assets exceeds the amount of its liabilities by fifty thousand pounds.
- (3) In computing liabilities for the purposes of paragraph (b) of the last foregoing subsection, all contingent and prospective liabilities shall be taken into account, but not liabilities in respect of share capital.

Special provisions as to certain insurance companies

21 Mutual associations, industrial assurance companies and other special cases

As respects—

- (a) the mutual associations mentioned in Part I of the Second Schedule to this Act;
- (b) industrial assurance companies; and
- (c) such insurance companies as are mentioned in Part III of that Schedule;

the provisions contained in Parts I to III of that Schedule shall respectively have effect for adapting the operation of this Act to the special circumstances of those companies.

22 Unregistered companies

Every insurance company to which this Act applies, being a company which is not registered under the Companies Act, 1948, or under the former Companies Acts.—

- (a) if it has not incorporated in its deed of settlement section ten of the Companies Clauses Consolidation Act, 1845, shall keep a shareholders address book in accordance with the provisions of that section, and shall, on the application of any shareholder or policy holder of the company, furnish to him a copy of the

book, on payment of a sum not exceeding sixpence for every hundred words required to be copied ;

- (b) shall cause a sufficient number of copies of its deed of settlement to be printed, and shall, on the application of any shareholder or policy holder of the company, furnish to him one of those copies on payment of a sum not exceeding one shilling.

23 Oversea companies

The following provisions of the Companies Act, 1948, that is to say, sections four hundred and seven, four hundred and nine to four hundred and fifteen and four hundred and twenty-five, if, apart from this subsection they would not so apply, shall apply in relation to an insurance company constituted outside Great Britain which carries on insurance business within Great Britain as they apply in relation to overseas companies within the meaning of section four hundred and six of that Act.

24 Bond investment companies

Where an insurance company to which this Act applies carries on bond investment business, the company shall not give the holder of any policy issued after the second day of December, nineteen hundred and nine, any advantage dependent on lot or chance:

Provided that this section shall not be construed as in any way prejudicing any question as to the application to any such transaction, whether in respect of a policy issued before, on or after the said second day of December, of the law relating to lotteries.

Miscellaneous and supplemental provisions

25 Advertisements, etc., referring to amount of authorised capital

Where any advertisement, notice or other official publication of an insurance company to which this Act applies contains a statement of the amount of the authorised capital of the company, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

26 Penalty for non-compliance with Act

- (1) Subject to the provisions of this section, any insurance company which makes default in complying with any of the requirements of this Act shall be liable to a penalty not exceeding one hundred pounds, or, in the case of a continuing default, to a penalty not exceeding fifty pounds for every day during which the default continues, and every director, manager, secretary or other officer or agent of the company who is knowingly a party to the default shall be liable to a like penalty.
- (2) Subject as aforesaid, if any such default continues for a period of three months after notice of default by the Board of Trade (which notice shall be published in one or more newspapers as the Board may, upon the application of one or more policy holders or shareholders, direct), the default shall be a ground on which the court may order the winding up of the company, in accordance with the Companies Act, 1948.

- (3) This section shall not apply as respects a default in complying with a requirement contained in any of the following provisions of this Act, that is to say, section two, subsection (3) of section thirteen, section fourteen and Parts I and III of the Second Schedule.

27 Penalty for falsifying statements, etc.

If any account, balance sheet, abstract, statement or other document required by any provision of this Act other than section fourteen thereof is false in any particular to the knowledge of any person who signs it, that person shall be guilty of a misdemeanour and shall be liable on summary conviction to a fine not exceeding fifty pounds.

28 Recovery and application of penalties

Every penalty imposed by section twenty-six or section twenty-seven of this Act shall be recovered and applied in the same manner as penalties imposed by the Companies Act, 1948, are recoverable and applicable.

29 Service of notices

Any notice which is by this Act required to be sent to any policy holder may be addressed and sent to the person to whom notices respecting that policy are usually sent, and any notice so addressed and sent shall be deemed to be notice to the holder of the policy:

Provided that where any person claiming to be interested in a policy has given to the company notice in writing of his interest, any notice which is by this Act required to be sent to policy holders shall also be sent to that person at the address specified by him in his notice.

30 Documents deposited with Board of Trade

- (1) The Board of Trade may direct any documents deposited with them under this Act, or certified copies thereof, to be kept by the registrar of companies or by any other officer of the Board; and any such documents and copies shall be open to inspection, and copies thereof may be procured by any person on payment of such fees as the Board may direct.
- (2) Every document deposited under this Act with the Board of Trade, and certified by the registrar of companies, or by any person appointed in that behalf by the President of the Board of Trade, to be a document so deposited, shall be deemed to be a document so deposited.
- (3) Every document purporting to be certified by the registrar of companies, or by any person appointed in that behalf by the President of the Board of Trade, to be a copy of a document so deposited shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original document, unless some variation between it and the original be proved.

31 Exercise of powers of Board of Trade

Anything required or authorised by or under this Act to be done by, to or before the Board of Trade may be done by, to or before the President of the Board of Trade, any secretary, under-secretary or assistant secretary of the Board or any person authorised in that behalf by the President.

32 Expenses

- (1) Subject to the provisions of subsection (3) of section thirteen of the Economy (Miscellaneous Provisions) Act, 1926 (which empowers the Treasury to issue but of the Bankruptcy and Companies Winding-up (Fees) Account, in aid of the moneys voted by Parliament for the salaries and expenses of the Board of Trade, sums towards meeting the charges estimated by the Board in respect of salaries and expenses under the Companies Act, 1948, in relation to the winding up of companies-in England), any expenses incurred by the Board of Trade under this Act shall be defrayed out of moneys provided by Parliament.
- (2) The said subsection (3) shall have effect as if the expenses incurred by the Board of Trade under section fourteen of this Act were expenses incurred by the Board under the Companies Act, 1948, in relation to the winding up of companies in England.
- (3) Any sums paid to the Board of Trade under the proviso to subsection (5) of the said section fourteen shall be appropriated in aid of the moneys voted by Parliament for the salaries and expenses of the Board.

33 Interpretation

- (1) In this Act, unless the context otherwise requires—
 - " accident insurance business " means the issue of, or the undertaking of liability under, policies of insurance upon the happening of personal accidents, whether fatal or not, disease or sickness, or any class of personal accidents, disease or sickness ;
 - " actuary " means, except in section fourteen of this Act, an actuary possessing the prescribed qualifications ;
 - " annuities on human life " does not include superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment, or of the dependants of such persons ;
 - " bond investment business " means, subject to the provisions of subsection (3) of this section, the business of issuing bonds or endowment certificates by which the company, in return for subscriptions payable at periodic intervals of less than six months, contracts to pay the bond holder a sum at some future date, not being life assurance business, industrial assurance business, or sinking fund or capital redemption insurance business;
 - " chairman " means the person for the time being presiding over the board of directors or other governing body of the insurance company;
 - " court " means the High Court of Justice in England or, in the case of an insurance company registered or having its head office in Scotland, means, except in the provisions of this Act relating to deposits, the Court of Session;
 - " deed of settlement ", in relation to an insurance company, includes any instrument constituting the company ;

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

" employers ' liability insurance business " means the issue of, or the undertaking of liability under, policies insuring employers against liability to pay compensation or damages to workmen in their employment, but does not include any business carried on as incidental only to marine, aviation and transit insurance business;

" financial year " means each period of twelve months at the end of which the balance of the accounts of the insurance company is struck, or, if no such balance is struck, means the calendar year ;

" fire insurance business " means, subject to the provisions of subsection (4) of this section, the issue of, or the undertaking of liability under, policies of insurance against loss by or incidental to fire ;

" former Companies Acts " means the Companies Act, 1929, and any enactment repealed by that Act or by the Companies (Consolidation) Act, 1908;

" Gazette " means the London or Edinburgh Gazette, as the case may require;

" general business " means insurance business of a class or classes specified in section one of this Act, not being long term business;

" industrial assurance business " has the meaning assigned to it by subsection (2) of section one of the Industrial Assurance Act, 1923;

" insolvent " means, in relation to an insurance company at any relevant date, that if proceedings had been taken for the winding up of the company the court could, in accordance with the provisions of sections two hundred and twenty-two and two hundred and twenty-three of the Companies Act, 1948, hold, or have held, that the company was at that date unable to pay its debts;

" insurance company " means a person or body of persons (whether incorporated or not) carrying on insurance business;

" interest " includes dividends ;

" life assurance business " means, subject to the provisions of subsection (5) of this section, the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life, not being industrial assurance business;

" life policy " means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

" long term business " means insurance business of all or any of the following classes, namely, life assurance business, industrial assurance business and bond investment business, and includes, in relation to any insurance company, insurance business carried on by the company as incidental only to any such class of business;

" marine, aviation and transit insurance business " means the business of effecting and carrying out, otherwise than incidentally to some other class of insurance business, contracts of insurance—

- (a) upon vessels or aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft, or
- (b) upon goods, merchandise or property of any description whatever on board vessels or aircraft, or
- (c) upon the freight of, or any other interest in or relating to, vessels or aircraft, or

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

- (d) against damage arising out of or in connection with the use of vessels or aircraft, including third party risks, or
- (e) against risks incidental to the construction, repair or docking of vessels, including third party risks, or
- (f) against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance, but not including risks the insurance of which is motor vehicle insurance business, or
- (g) against any other risks the insurance of which is customarily undertaken in conjunction with or as incidental to any such business as is referred to in the foregoing paragraphs of this definition;

" motor vehicle insurance business " means the business of effecting contracts of insurance against loss of, or damage to or arising out of or in connection with the use of, motor vehicles, including third party risks;

" policy "—

- (a) in relation to life assurance business or industrial assurance business, includes an instrument evidencing a contract to pay an annuity upon human life, and
- (b) in relation to accident insurance business, motor vehicle insurance business, marine, aviation and transit insurance business or employers' liability insurance business, includes any policy under which there is for the time being an existing liability already accrued, or under which any liability may accrue, and
- (c) in relation to bond investment business, includes any bond, certificate, receipt or other instrument evidencing the contract with the company;

" policy holder " means the person who for the time being is the legal holder of the policy for securing the contract with the insurance company, or, in relation to bond investment business, means the person who for the time being is the legal holder of the bond, certificate, receipt or other instrument evidencing the contract with the company, and—

- (a) in relation to life assurance business or industrial assurance business, includes an annuitant, and
- (b) in relation to accident insurance business, motor vehicle insurance business or marine, aviation and transit insurance business, includes a person to whom, under any policy, any sum is due or a weekly or other periodic payment is payable, and
- (c) in relation to employers' liability insurance business, includes a person to whom, under any policy, any sum is due or a weekly payment is payable;

" prescribed " means prescribed by regulations under this Act;

" registrar of companies " has the meaning assigned to it by section four hundred and fifty-five of the Companies Act, 1948;

" underwriter " includes any person named in a policy or other contract of insurance as liable to pay or contribute towards the payment of the sum secured by the policy or contract.

- (2) References in the foregoing subsection to damage include references to loss of life and personal injury.
- (3) Where, in return for subscriptions payable at periodic intervals of less than six months, a person or body of persons, whether incorporated or not (not being registered or

certified under the Acts relating to friendly societies, building societies or trade unions) undertakes, by prospectus or otherwise, to pay to the subscriber at a future date the amount of the subscriptions with interest thereon (with or without a right on the part of the subscriber to the return of his subscriptions in the meantime), that business shall for purposes of this Act be treated as bond investment business, and the card, book or other document in which receipts of subscriptions are entered shall be treated as the instrument evidencing the contract, and the subscriber shall be treated as the owner of the policy, subject to such modifications of the provisions of the Third Schedule to this Act as may be prescribed for the purpose of adapting to such business as aforesaid the provisions of that Schedule relating to bond investment business.

- (4) A policy shall not be deemed for the purposes of this Act to be a policy of fire insurance by reason only that loss by fire is one of the various risks covered by the policy.
- (5) Any business carried on by an insurance company which under the provisions of any special Act relating to that company (being an Act which came into operation before the first day of July, nineteen hundred and ten) is to be treated as life assurance business shall continue to be treated as life assurance business or industrial assurance business, as the case may require, and shall not be deemed to be other business of a class specified in section one of this Act.
- (6) Except where the context otherwise requires, references in this Act to any other enactment shall be construed as references to that enactment as amended by or under any subsequent enactment, including this Act.

34 Provisions as to regulations

- (1) The Board of Trade may make regulations under this Act for any purpose for which regulations are authorised or required to be made thereunder.
- (2) Any power conferred by this Act to make regulations shall be exercisable by statutory instrument.
- (3) Any statutory instrument containing regulations made under this Act shall be subject to annulment in pursuance of a resolution of either House of Parliament:

Provided that this subsection shall not apply to any statutory instrument containing only regulations made under section nine of this Act or subsection (3) of section thirty-three thereof.

- (4) Subject to the provisions of the last foregoing subsection, regulations made under subsection (1) of section twenty of this Act shall have effect as if they were enacted in this Act.
- (5) The Board of Trade may, on the application or with the consent of any insurance Company, alter any form prescribed by regulations made by them under this Act for the purpose of adapting the form to the circumstances of the company.

35 Savings

- (1) This Act shall not affect the National Debt Commissioners or the Postmaster General, acting under the authorities vested in them respectively by the Government Annuities Act, 1929, and the Post Office Savings Bank Act, 1954.

- (2) Save as otherwise expressly provided by this Act, nothing in this Act shall apply to insurance business of any class other than a class specified in section one of this Act.

36 Consequential amendments, repeals, revocations and transitional provisions

- (1) The Industrial Assurance Act, 1923, shall have effect subject to the amendments specified in Part I of the Fifth Schedule to this Act, being amendments consequential on the provisions of this Act.
- (2) The enactments set out in Part II of the said Fifth Schedule are hereby repealed to the extent specified in the third column of that Part.
- (3) Part III of the Government of Ireland (Companies, Societies, &c.) Order, 1922, and the Government of Ireland (Assurance Companies) Order, 1924 (which together modify the provisions of the Assurance Companies Act, 1909, in consequence of the coming into operation of the Government of Ireland Act, 1920) and the Employers' Liability Insurance (Modification) Order, 1948 (which modifies the provisions of the Assurance Companies Acts, 1909 to 1946, in consequence of the coming into operation of the National Insurance (Industrial Injuries) Act, 1946) are hereby revoked.
- (4) In so far as any instrument made or other thing done under an enactment repealed or revoked by this Act could have been made or done under a corresponding enactment in this Act, it shall not be invalidated by the repeals and revocations effected by the foregoing provisions of this section but shall have effect as if it had been made or done under that corresponding enactment.

Without prejudice to the generality of the foregoing provisions of this subsection, where an enactment repealed by this Act confers power to make rules but the corresponding enactment in this Act confers power to make regulations, rules made under the first-mentioned enactment in force at the commencement of this Act shall be deemed to be regulations and not rules, and references to rules made thereunder in an enactment not repealed by this Act shall be construed accordingly.

- (5) Any enactment or other document whatsoever referring to any enactment repealed or revoked by this Act shall be construed as referring (or including a reference) to the corresponding enactment in this Act.

Without prejudice to the generality of the foregoing provisions of this subsection, any enactment or document whatsoever referring to an assurance company within the meaning of the Assurance Companies Act, 1909, shall be construed as referring (or as including a reference) to an insurance company to which this Act applies.

- (6) Regulations may provide for the manner in which deposits made, and premiums placed in a trust fund, under the provisions of the Eighth Schedule to the Assurance Companies Act, 1909, as originally enacted are to be dealt with in consequence of the substitution for those provisions, by virtue of sub-paragraph (1) of paragraph 3 of Part II of the Second Schedule to the Assurance Companies Act, 1946, of the provisions now contained in the First Schedule to this Act, and may provide for any other matters which appear to the Board of Trade to be incidental to or consequential on the said substitution ; and the said regulations shall have effect notwithstanding anything in any trust deed made for the purposes of the first-mentioned provisions.
- (7) The mention of particular matters in this section shall not be held to prejudice or affect the general application of section thirty-eight of the Interpretation Act, 1889, with

regard to the effect of repeals; and the said section thirty-eight shall apply in relation to revocations effected by this Act as it applies in relation to repeals.

37 Short title, commencement and extent

- (1) This Act may be cited as the Insurance Companies Act, 1958.
- (2) This Act shall come into operation at the expiration of a period of three months beginning with the date on which it is passed.
- (3) This Act shall not extend to Northern Ireland.