

# Insurance Companies Act, 1958

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## CHAPTER 72

An Act to consolidate the Assurance Companies Acts, 1909 to 1946, and the enactments amending those Acts with corrections and improvements made under the Consolidation of Enactments (Procedure) Act, 1949.

[1st August, 1958]

**B**E it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

*Preliminary*

1.—(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. Companies to which Act applies.

(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.

(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*

Minimum  
paid up share  
capital.

2.—(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.—(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.

Preparation  
of annual  
accounts and  
balance sheets.

4. 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.

Periodic  
investigation  
of certain  
companies  
by actuary.

5.—(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.—(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.

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

(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. 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.

Statement of business by accident insurance company.

8.—(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:

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

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.

**Audit of  
accounts.**

9. 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. 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.

Accounts, etc  
to be laid  
before  
Parliament.

#### *Amalgamations and transfers*

11.—(1) Subject to the provisions of this section, where—

Provisions as  
to certain  
amalgamation  
and transfers.

- (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.

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

**12.** 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.—(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—

Margin of solvency for general business.

- (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 :

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.

Investigation  
of company  
of doubtful  
solvency.

14.—(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.—**(1) The court may order the winding up, in accordance Winding up. 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.

Subsidiary  
companies.

16.—(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.—(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. Supplemental provisions as to winding up.

(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. 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. Reduction of contracts as alternative to winding up.

*Deposits with Accountant-General of Supreme Court*

Treatment of deposits.

19.—(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.

Regulations as to deposits.

20.—(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. 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 ;

Mutual associations, industrial assurance companies and other special cases.

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. 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,—

Unregistered companies.

- (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. 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 oversea companies within the meaning of section four hundred and six of that Act.

Oversea companies.

Bond investment companies.

24. 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*

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

25. 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.

Penalty for non-compliance with Act.

26.—(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.

Penalty for falsifying statements, etc.

27. 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. 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. Recovery and application of penalties.

29. 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: Service of notices.

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.—(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. Documents deposited with Board of Trade.

(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. 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. Exercise of powers of Board of Trade.

32.—(1) Subject to the provisions of subsection (3) of section thirteen of the Economy (Miscellaneous Provisions) Act, 1926 (which empowers the Treasury to issue out 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 Expenses.

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.

**Interpretation.** 33.—(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 ;

“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

(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.

Provisions  
as to  
regulations.

34.—(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.

Savings.

35.—(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.—(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. Consequential amendments, repeals, revocations and transitional provisions.

(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.

Short title,  
commencement  
and extent.

**37.**—(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.

## SCHEDULES

### FIRST SCHEDULE

Sections 1, 36.

#### REQUIREMENTS TO BE COMPLIED WITH BY UNDERWRITERS OF LLOYD'S AND OTHER APPROVED ASSOCIATIONS

1.—(1) Every underwriter shall, in accordance with the provisions of a trust deed approved by the Board of Trade, carry to a trust fund all premiums received by him or on his behalf in respect of any insurance business.

(2) Premiums received in respect of long term business shall in no case be carried to the same trust fund under this paragraph as premiums received in respect of general business, but the trust deed may provide for carrying the premiums received in respect of all or any classes of long term business and all or any classes of general business either to a common fund or to any number of separate funds.

2.—(1) The accounts of every underwriter shall be audited annually by an accountant approved by the Committee of Lloyd's or the managing body of the association, as the case may be, and the auditor shall furnish a certificate in the prescribed form to the Committee or managing body and the Board of Trade.

(2) The said certificate shall in particular state whether in the opinion of the auditor the value of the assets available to meet the underwriter's liabilities in respect of insurance business is correctly shown in the accounts, and whether or not that value is sufficient to meet the liabilities calculated—

(a) in the case of liabilities in respect of long term business, by an actuary; and

(b) in the case of other liabilities, by the auditor on a basis approved by the Board of Trade.

(3) Where any liabilities of an underwriter are calculated by an actuary under the last foregoing sub-paragraph, he shall furnish a certificate of the amount thereof to the Committee of Lloyd's or the managing body of the association, as the case may be, and to the Board of Trade, and shall state in his certificate on what basis the calculation is made; and a copy of his certificate shall be annexed to the auditor's certificate.

3. The underwriter shall, when required by the Committee of Lloyd's or the managing body of the association, as the case may be, furnish to them such information as they may require for the purpose of preparing the statement of business which is to be deposited with the Board of Trade under section six of this Act.

### SECOND SCHEDULE

#### ADAPTATIONS, ETC., FOR SPECIAL CASES

Sections 2, 13,  
21.

#### PART I

#### MUTUAL ASSOCIATIONS

1.—(1) Where, on the application of any association of persons, whether incorporated or not, which, immediately before the twenty-ninth day of October, nineteen hundred and forty-five, was not carrying on in Great Britain insurance business of a class specified

2ND SCH.  
—cont.

in section one of this Act, the Board of Trade are satisfied that the association—

- (a) is about to carry on long term business in Great Britain ;  
and
- (b) is so constituted that the whole of the divisible surplus or profits thereof must, whenever determined or declared, be apportioned or applied for the benefit of the association's policy holders, or such of them as are entitled in accordance with the terms of the policies or any instruments governing the constitution of the association to participate in the profits of the association ;

the Board may by order direct that the provisions of section two of this Act shall not apply to the association on condition that it carries on no business other than long term business and such other business (if any) as may be specified in the order.

(2) Where an order is made under the foregoing sub-paragraph as respects any association, the association shall, before commencing to carry on long term business in Great Britain, deposit with the Accountant-General of the Supreme Court the sum of twenty thousand pounds, and shall keep that sum so deposited while it continues to carry on long term business in Great Britain.

(3) Where the association is to be incorporated, the deposit may be made by the subscribers of the memorandum of association of the company, or any of them, in the name of the proposed company, and, upon the incorporation of the company, shall be deemed to have been made by, and to be part of the assets of, the company ; and the registrar of companies shall not issue a certificate of incorporation of the company until the deposit has been made.

(4) Where the association intends to carry on insurance business of more than one of the classes specified in subsection (1) of section one of this Act a separate sum of twenty thousand pounds shall be deposited and kept deposited under this paragraph as respects each such class of business.

(5) The Accountant-General shall not accept a deposit under this paragraph except on a warrant of the Board of Trade.

2. Where, on the application of any association of persons, whether incorporated or not, the Board of Trade are satisfied that the association—

- (a) is carrying on or about to carry on fire insurance business ;  
and
- (b) is not carrying on or about to carry on that business except for the purpose of the mutual insurance of its members against damage caused to buildings or other property owned or occupied by them ;

the Board may by order direct that section two and section thirteen of this Act, in so far as they would have applied to the association apart from the order, shall not apply to the association on condition that it carries on no business other than fire insurance business and business incidental thereto.

3.—(1) Where, on the application of any association of persons, whether incorporated or not, the Board of Trade are satisfied that the association—

- (a) is carrying on or about to carry on either employers' liability insurance business or marine, aviation and transit insurance business ; and
- (b) is not carrying on or about to carry on that class of business except for the purpose of the mutual insurance of its members against risks incidental to their trade or industry ;

the Board may by order direct that the provisions of this Act (other than section fourteen, subsection (2) of section fifteen and subsection (1) of section seventeen thereof), in so far as they would have applied to the association apart from the order, shall not apply to the association on condition that it carries on no business other than employers' liability insurance business or marine, aviation and transit insurance business, as the case may be, and business incidental thereto.

(2) Any order made under this paragraph in relation to an association carrying on or about to carry on employers' liability insurance business may be made so as to have effect as from the sixth day of March, nineteen hundred and forty-six.

4. Where a direction under this Part of this Schedule is given in respect of a company registered under the Companies Act, 1929, or the Companies Act, 1948, at any time after the fifth day of March, nineteen hundred and forty-six, being a company which has not commenced business, the statutory declaration required by section one hundred and nine of the said Act of 1948 to be delivered to the registrar of companies before the company commences business shall be accompanied by a copy, certified by the Board of Trade, of the order of the Board containing the direction, and that copy shall be filed by the registrar.

5. Any order made under this Part of this Schedule may be revoked by the Board of Trade—

- (a) on the application of the association to which it applies ; or
- (b) if the Board cease to be satisfied of the matters on the ground of which the order was made ; or
- (c) if the Board are satisfied that the condition specified in the order has not been complied with.

## PART II

### INDUSTRIAL ASSURANCE COMPANIES

6.—(1) In its application to industrial assurance business this Act shall have effect subject to the modifications specified in the following provisions of this paragraph.

(2) Anything which under the provisions of this Act (other than section fourteen, subsection (2) of section fifteen and subsection (1) of section seventeen thereof) is, apart from this Part of this Schedule, required or authorised to be done to, by, or with the Board of Trade or the President of the Board of Trade shall or may be done to, by, or with the Industrial Assurance Commissioner

2ND SCH.  
—cont.

(hereinafter in this Part of this Schedule referred to as “the Commissioner”):

Provided that, where the company transacts other business besides that of industrial assurance, nothing in this sub-paragraph shall affect the powers and duties of the Board of Trade or the President of the Board of Trade under this Act in relation to that other class of business; and where any document required under the said provisions to be sent to the Board relates both to industrial assurance business and to other insurance business, the document shall be sent both to the Commissioner and to the Board.

(3) Where any expenses of management, or interest from investments, or sums on account of depreciation of securities, are apportioned between the industrial assurance business and any other business carried on by the company the auditor shall include in his report a special report as to the propriety or otherwise of the apportionment.

(4) A copy of every report of the auditor of the company shall be furnished to the Commissioner.

(5) The Commissioner may refuse to issue a warrant for a deposit under paragraph 1 of this Schedule if he considers that it is inexpedient that the company should be authorised to carry on industrial assurance business, but in the case of such a refusal the company may appeal to the court, and the Commissioner shall be entitled to appear and be heard on any such appeal.

(6) On a petition under section eleven of this Act the Commissioner shall be entitled to be heard, and on any such hearing the Commissioner may apply to the court to exercise its powers under paragraph (b) of subsection (2) of that section of directing that the requirements of that paragraph shall be dispensed with or modified.

(7) On any such petition, any class of persons (including employees of any company concerned) who allege that they are adversely affected by the amalgamation or transfer shall be entitled to appear and to be heard.

(8) The independent actuary referred to in paragraph (b) of subsection (2) of the said section eleven shall be appointed by the President of the Institute of Actuaries or by the President of the Faculty of Actuaries in Scotland on the application of the Commissioner and shall make his report to the Commissioner, by whom copies thereof shall be sent to each company concerned in the amalgamation or transfer, and each such company shall, unless the court otherwise directs, transmit copies thereof to the owner of each policy of the company in the manner provided by that section.

(9) The said section eleven shall apply to any transfer from one company to another, howsoever effected, of the liabilities or of any of the liabilities arising in respect of industrial assurance business in like manner as if the transfer were a transfer of the industrial assurance business.

7. The provisions of this Act relating to industrial assurance business shall have effect notwithstanding anything in the memorandum or articles of association or rules or special Act of any insurance company carrying on such business:

Provided that nothing in this Act shall affect the liability of the industrial assurance fund or of the life assurance fund in the case

of a company established before the first day of January, nineteen hundred and twenty-four, to the prejudice of persons interested in contracts entered into by the company before that date.

8. The Commissioner shall include in his annual report under section forty-four of the Industrial Assurance Act, 1923, a report of his proceedings under this Act, and that section shall have effect accordingly.

### PART III

#### MISCELLANEOUS SPECIAL CASES

9. Regulations may provide that, in their application to an insurance company established in a country outside Great Britain, sections two and thirteen of this Act and this Schedule shall have effect subject to such adaptations of the references to paid up share capital and fifty thousand pounds as appear to the Board of Trade to be necessary having regard to the law relating to companies in force in that country or the currency of that country.

10.—(1) Where, on the application of any insurance company carrying on general business, the Board of Trade are satisfied that it is guaranteed by another insurance company carrying on general business and satisfying the requirements for a guarantor set out in the following sub-paragraph, the Board may by order direct that, subject to such conditions as may be specified in the order, section thirteen of this Act shall not apply to the first-mentioned insurance company.

(2) A guarantor shall be required for the purposes of this paragraph to be either—

- (a) a body corporate which has a paid up share capital of not less than fifty thousand pounds (as required by section two of this Act) and the value of whose assets exceeds the amount of its liabilities by the amount required by section thirteen of this Act; or
- (b) an underwriter to whom this Act does not apply by virtue of subsection (6) of section one of this Act; or
- (c) an insurance company as respects which, as being itself guaranteed by another insurance company, there is an order in force under this paragraph;

and for the purposes of this paragraph, an insurance company shall be deemed to be guaranteed by another insurance company if, but only if, all its liabilities to policy holders in respect of insurance business of any class specified in section one of this Act are reinsured with or guaranteed by the other insurance company.

11. Where, on the application of any insurance company, the Board of Trade are satisfied—

- (a) that it carries on business wholly or mainly for the purpose of insuring a limited class of persons having a financial or other interest in common; and
- (b) that, having regard to the limited nature of its business, the provisions of section thirteen of this Act are inappropriate or unduly onerous to the company;

2ND SCH.  
—cont.

the Board may by order direct that, subject to such conditions as may be specified in the order, the said section thirteen shall not apply to the company, or shall apply so as to require that the value of the company's assets shall exceed the amount of its liabilities by a less amount than the amount specified in that section.

12. Where, on the application of an insurance company carrying on general business of any class, not being a class in respect of which a separate fund is required to be maintained by section three of this Act, the Board of Trade are satisfied that, in the special circumstances of the company—

(a) that business or any part thereof ought to be treated as if it were not business of that class but were either—

(i) general business of some other class, not being a class in respect of which a separate fund is required as aforesaid; or

(ii) business of a class not specified in section one of this Act; or

(b) that business ought to be treated as if it were long term business;

the Board may by order direct that, subject to such conditions as may be specified in the order, it shall be so treated for the purposes of this Act:

Provided that an order directing that any business shall be treated as if it were business of a class not specified in section one of this Act shall, in relation to that direction, specify as a condition that the company carries on other business which is general business and which is not directed by that or any other order under this paragraph to be treated as if it were business of a class not so specified or as if it were long term business.

13. Regulations made under section twenty of this Act in respect of the withdrawal of deposits shall include provision for allowing any insurance company as respects which a direction is given under paragraph 10 or paragraph 11 of this Schedule to withdraw any deposit made by it.

14. Any order made under this Part of this Schedule may be revoked by the Board of Trade—

(a) if the Board cease to be satisfied of the matters on the ground of which the order was made; or

(b) if the Board are satisfied that any condition specified in the order has not been complied with.

Sections 17, 33.

### THIRD SCHEDULE

#### RULES FOR VALUING POLICIES AND LIABILITIES

##### *Life policies*

1.—(1) The value of a life policy shall be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding up, and the present value of the future annual premiums.



(2) In calculating such present values interest shall be assumed at such rate, and the rate of mortality according to such tables, as the court may direct.

(3) The premium to be calculated shall be such premium as according to the said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

#### *Annuities*

2. An annuity shall be valued according to the tables used by the company which granted the annuity at the time of granting it, or, where those tables cannot be ascertained or adopted to the satisfaction of the court, according to such rate of interest and table of mortality as the court may direct.

#### *Bond investment policies*

3.—(1) The value of a bond investment policy shall be the difference between the present value of the sum assured according to the date at which it is payable, including any bonus or addition thereto made before the commencement of the winding up, and the present value of the future annual premiums.

(2) In calculating such present values, interest shall be assumed at such rate as the court may direct.

(3) The premium to be calculated shall be such premium as, according to the said rate of interest, is sufficient to provide for the sum assured by the policy, exclusive of any addition thereto for office expenses and other charges.

#### *Fire, accident, motor vehicle, marine, aviation and transit policies*

4. The value of a current fire, accident, motor vehicle, marine, aviation or transit policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid:

Provided that this rule shall not apply to a policy of insurance upon goods, merchandise or property on board a vessel or aircraft, or a policy of insurance against transit risks or risks incidental to transit, but any such policy shall be valued in like manner as it would have been valued if this Act had not passed.

5. The present value of a periodic payment under an accident or motor vehicle policy shall, in the case of total permanent incapacity, be such an amount as would, if invested in the purchase of a life annuity from the National Debt Commissioners through the Post Office Savings Bank, purchase an annuity equal to seventy-five per cent. of the annual value of the periodic payment, and, in any other case, shall be such proportion of that amount as may, under the circumstances of the case, be proper.

#### *Employers' liability policies*

6. The value of a current employers' liability policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid, together with, in the case of a policy under which any weekly payment is payable, the present value of that weekly payment.

3RD SCH.  
—*cont.*

7. The present value of a weekly payment under an employers' liability policy shall, if the incapacity of the workman in respect of which it is payable is total permanent incapacity, be such an amount as would, if invested in the purchase of a life annuity from the National Debt Commissioners through the Post Office Savings Bank, purchase an annuity for the workman equal to seventy-five per cent. of the annual value of the weekly payment, and in any other case shall be such proportion of that amount as may, under the circumstances of the case, be proper.

Section 17.

#### FOURTH SCHEDULE

##### LIQUIDATOR'S DUTIES AS TO VALUATION OF LIABILITIES

Where an insurance company to which this Act applies is being wound up by the court or subject to the supervision of the court, the liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by the company, shall—

- (a) ascertain the value of the liability of the company to each such person, and
- (b) give notice of that value to such persons in such manner as the court may direct,

and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute that value in the manner and within a time to be prescribed by a rule or order of the court.

Section 36.

#### FIFTH SCHEDULE

##### AMENDMENTS AND REPEALS

##### PART I

##### CONSEQUENTIAL AMENDMENTS OF INDUSTRIAL ASSURANCE ACT, 1923

In subsection (1) of section one,—

- (a) for the words "an assurance company within the meaning of the Assurance Companies Act, 1909", there shall be substituted the words "an insurance company to which the Insurance Companies Act, 1958, applies";
- (b) for the words "and an assurance company" there shall be substituted the words "and an insurance company".

In subsection (1) of section seven—

- (a) for the words from "industrial assurance company" to "industrial assurance companies" there shall be substituted the words "association as respects which an order has been made under sub-paragraph (1) of paragraph 1 of the Second Schedule to the Insurance Companies Act, 1958, and the said Act of 1958 (in so far as it relates to deposits)";
- (b) for the words "Subsection (3)" in paragraph (b) there shall be substituted the words "Sub-paragraph (3) of the said paragraph 1";
- (c) for the words from "but" to "shall apply" in paragraph (f) there shall be substituted the words "and accordingly sub-paragraph (4) of the said paragraph 1 shall not apply".

In section eighteen, the following paragraph shall be substituted for paragraph (a) of subsection (1)—

5TH SCH.  
—cont.

“(a) The valuation shall be made by an actuary as defined by section thirty-three of the *Insurance Companies Act, 1958*, as modified by Part II of the Second Schedule thereto;”.

## PART II

### ENACTMENTS REPEALED

Session and Chapter	Short Title	Extent of Repeal
9 Edw. 7. c. 49.	The Assurance Companies Act, 1909.	The whole Act.
13 & 14 Geo. 5. c. 8.	The Industrial Assurance Act, 1923.	Sections twelve and forty-two.
20 & 21 Geo. 5. c. 43.	The Road Traffic Act, 1930.	Section forty-two.
23 & 24 Geo. 5. c. 9.	The Assurance Companies (Winding up) Act, 1933.	The whole Act.
25 & 26 Geo. 5. c. 45.	The Assurance Companies (Winding up) Act, 1935.	The whole Act.
9 & 10 Geo. 6. c. 28.	The Assurance Companies Act, 1946.	The whole Act except section five.
11 & 12 Geo. 6. c. 38.	The Companies Act, 1948.	In section four hundred and fifty-six, the words “The Assurance Companies Acts, 1909 to 1946.” In the Sixteenth Schedule, paragraph 1.

*Table of Statutes referred to in this Act*

Short Title	Session and Chapter
Companies Clauses Consolidation Act, 1845 ...	8 & 9 Vict. c. 16.
Interpretation Act, 1889 ... ..	52 & 53 Vict. c. 63.
Companies (Consolidation) Act, 1908 ... ..	8 Edw. 7. c. 69.
Assurance Companies Act, 1909 ... ..	9 Edw. 7. c. 49.
Government of Ireland Act, 1920 ... ..	10 & 11 Geo. 5. c. 67.
Industrial Assurance Act, 1923 ... ..	13 & 14 Geo. 5. c. 8.
Economy (Miscellaneous Provisions) Act, 1926... ..	16 & 17 Geo. 5. c. 9.
Companies Act, 1929 ... ..	19 & 20 Geo. 5. c. 23.
Government Annuities Act, 1929 ... ..	19 & 20 Geo. 5. c. 29.
Assurance Companies Act, 1946 ... ..	9 & 10 Geo. 6. c. 28.
National Insurance (Industrial Injuries) Act, 1946	9 & 10 Geo. 6. c. 62.
Companies Act, 1948 ... ..	11 & 12 Geo. 6. c. 38.
Post Office Savings Bank Act, 1954 ... ..	2 & 3 Eliz. 2. c. 62.

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