1976 No. 315

INSURANCE

Insurance Companies (Intermediaries) Regulations (Northern Ireland) 1976

Made . . . . . *25th October* 1976

Coming into operation . . . *31st December* 1976

The Department(a) of Commerce, in exercise of the powers conferred upon it by Articles 75 and 93 of the Insurance Companies (Northern Ireland) Order 1976(b) and of every other power enabling it in that behalf, hereby makes the following regulations:

Citation, commencement and revocation

1.—(1) These regulations may be cited as the Insurance Companies (Intermediaries) Regulations (Northern Ireland) 1976 and shall come into operation on 31st December 1976.

(2) The Insurance Companies (Intermediaries) Regulations (Northern Ireland) 1974(c) are hereby revoked.

Interpretation

2. In these regulations—

"the Order" means the Insurance Companies (Northern Ireland) Order 1976;

"authorised insurer" has the meaning assigned to it in Article 75(2) of the Order;

"contract of insurance" does not include a contract of reinsurance or a contract of insurance the effecting and carrying out of which constitutes the carrying on of industrial assurance business or marine, aviation and transport insurance business;

"intermediary" means a person to whom the requirements of regulation 4 or 5 apply in respect of an invitation issued by him.

Persons connected with an insurance company

3.—(1) For the purposes of these regulations a person is connected with an insurance company if—

(*a*) that person, or any partner, director, controller or manager of that person, is a partner, director, controller or manager of the insurance company or of any controller thereof;

(*b*) the insurance company, or any partner, director, controller or manager of the insurance company, is a partner, director, controller or manager of that person or of any controller of that person:

(a) Formerly Ministry: *see* 1973 c. 36 s. 40 and Sch. 5 para. 8(1)
(b) S.I. 1976/59 (N.I. 3) brought into operation by S.R. 1976 No. 56 (C. 2)
(c) S.R. 1974 No. 250 (II, p. 1199)

(*c*) that person or any controller of that person has a significant interest in shares of the insurance company or of any controller thereof;

(*d*) the insurance company or any controller thereof has a significant interest in shares of that person or of any controller of that person;

(*e*) that person, under any contract, not being a contract of employment, or under any other arrangement (whether legally enforceable or not) with the insurance company or with any associated company, undertakes not to perform any services relating to any class of insurance business (or any category thereof) for any insurance company other than the insurance company and, where the undertaking also relates to any associated company, the associated company:

Provided that an individual who gives an undertaking of the kind referred to above to any registered society shall not, by virtue of such undertaking, be a person connected with the society or with any company which is, within the meaning of section 144 of the Companies Act (Northern Ireland) 1960(**d**), a wholly owned subsidiary of the society.

(2) For the purposes of paragraphs (1)(*c*) and (*d*), a person shall be treated as having an interest in shares of a company if, by virtue of section 28 (other than subsection (3)(*b*)) of the Companies Act 1967(**e**), he would be so treated for the purposes of section 27 of that Act; and the interest shall be treated as significant if it is such that notification of it would be required under section 33 of that Act.

(3) A person who issues an invitation as is mentioned in regulation 4 in respect of a contract of insurance which will be underwritten at Lloyd's shall, in respect of such contract of insurance, be connected with the insurance company to which that contract relates if that person or any partner, director, controller or manager of that person will take a share in the contract as a member of Lloyd's.

(4) In this regulation—

"associated company" in relation to a body corporate means a subsidiary or holding company or subsidiary of the holding company of that body;

"subsidiary" and "holding company" shall be construed in accordance with section 148 of the Companies Act (Northern Ireland) 1960; and

any reference to "controller", in relation to a body corporate which is not an insurance company, shall be construed as a reference to a person who is or would, if he were a company, be a holding company of that body; and any reference to "manager", in relation to such a body, shall be construed as a reference to a person who directly or indirectly takes part in or is concerned in the management of the affairs of that body.

Invitation by person connected with insurance company

4. Subject to regulation 7, any person who invites another person who is ordinarily resident in the United Kingdom to make an offer or proposal or to take any other step with a view to entering into a contract of insurance with an insurance company shall, if he is connected with that company at the time the invitation is issued, provide the person to whom the invitation is issued, in the manner specified in regulation 6, with information indicating the circumstances of his connection with that company.

(**d**) 1960 c. 22 (N.I.) (**e**) 1967 c. 81