1976 No. 131

INSURANCE

Insurance Companies (Linked Properties and Indices) Regulations (Northern Ireland) 1976

Made . . . . . 21*st April* 1976

Coming into operation . . . . . 7*th June* 1976

The Department(a) of Commerce, in exercise of the powers conferred upon it by Articles 79(1), (2)(*a*), (4) and (5) 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 and commencement

1. These regulations may be cited as the Insurance Companies (Linked Properties and Indices) Regulations (Northern Ireland) 1976 and shall come into operation on 7th June 1976.

Interpretation

2.—(1) In these regulations—

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

"ordinary long term insurance business contracts" means contracts of the kind mentioned in the definition of "ordinary long term insurance business" in Article 3(2) of the Order;

"retirement benefits scheme" means a scheme for the provision to a member of the scheme or to his wife or widow, children, dependants or personal representatives of any pension, annuity, lump sum, gratuity or other like benefit given or to be given on retirement or on death, or in anticipation of retirement, or, in connection with past service, after retirement or death, except that it does not include any benefit which is to be afforded solely by reason of the disablement by accident of a member occurring during his service or of his death by accident so occurring and for no other reason.

(2) Any reference in these regulations to contracts of a similar description to any specified contract is a reference to contracts which correspond with that contract in both the following respects:—

(*a*) the provisions defining the descriptions of property or indices by reference to which the benefits payable thereunder are to be determined are the same as in that contract, and

(*b*) the insurance company or other person undertaking to pay the benefits provided for thereunder is the same as in that contract.

(a) Formerly Ministry: *see* 1973 c. 36 s. 40 and Sch. 5 para. 8(1)
(b) S.I. 1976/59 (N.I. 3)

Application

3.—(1) These regulations apply to ordinary long term insurance business contracts which—

(*a*) are entered into by insurance companies to which Part III of the Order applies or by members of Lloyd's, or of any other association of underwriters approved for the purposes of Part II of the Order by the Department of Commerce or have been entered into by any such insurance company or other person at any time before the coming into operation of these regulations and are then still in force;

(*b*) are contracts under which the benefits payable to the policyholder are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contract) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified); and

(*c*) are not contracts specified in paragraph (2) as being contracts to which these regulations do not apply.

(2) The contracts referred to in paragraph 1(*c*) to which these regulations do not apply are as follows:—

(*a*) contracts entered into before the date of the making of these regulations providing for benefits which would, if they had become due for payment on that date, have been wholly or partly determined either—

(i) by reference to the value of, or the income from, or fluctuations in the value of, property of any description other than those specified in Part I of the Schedule, or

(ii) by reference to fluctuations in an index of the value of property other than those specified in Part II of the Schedule;

(*b*) contracts entered into after the making of these regulations but before 1st September 1976, which are contracts of a similar description to any contract falling within sub-paragraph (*a*);

(*c*) contracts with any policyholder who is a person not ordinarily resident in the United Kingdom;

(*d*) contracts the effecting of which by the insurer constitutes the carrying on of industrial assurance business;

(*e*) contracts entered into by an insurance company to which Part III of the Order applies by reason only that the policyholder is eligible to participate in any established surplus as defined in Article 29(4) of the Order;

(*f*) contracts under or relating to a retirement benefits scheme (whether evidenced by deed, agreement or series of agreements or other arrangement) not being a scheme whereby—

(i) the benefit is assured by means of one or more contracts;

(ii) each contract provides in respect of each member of the scheme separate assurance, the proceeds of which are to go to that member at least to the extent that they are not greater than the benefits to which he is entitled at normal pension age;

(iii) the premium payable under each contract in respect of each member is payable at least annually; and

(iv) the amount of the premium (expressed as an annual rate) remains unchanged except in consequence of the declaration of a bonus or a change in the premium rate of the insurer.

Requirements for determination of benefits

4. Benefits payable under any contract to which these regulations apply shall not be determined, either wholly or partly, by reference to the value of, or the income from, or fluctuations in the value of, property of any description other than—

(*a*) property of any of the descriptions specified in Part I of the Schedule, or

(*b*) property which was property of any of the descriptions specified in paragraphs 1 to 7 of Part I of the Schedule when it first became a property by reference to which benefits under that contract, or under any contract of a similar description to that contract, were to be determined, and which ceased to conform with that description not more than 15 months previously.

5. Benefits payable under any contract to which these regulations apply shall not be determined, either wholly or partly, by reference to fluctuations in any index of the value of property other than those described in Part II of the Schedule.

Sealed with the Official Seal of the Department of Commerce for Northern Ireland on 21st April 1976.

(L.S.) *Ernest Simpson*
Assistant Secretary