

1974. No. 251

[C]

INSURANCE

Contents of Advertisements

REGULATIONS, DATED 4TH OCTOBER 1974, MADE BY THE DEPARTMENT OF COMMERCE UNDER SECTIONS 41 AND 53(1) OF AND SCHEDULE 3 TO THE INSURANCE COMPANIES AMENDMENT ACT 1973.

The Department of Commerce, in exercise of the powers conferred upon it by sections 41 and 53(1) of and Schedule 3 to the Insurance Companies Amendment Act 1973(a) and of all other powers enabling it in that behalf, hereby makes the following regulations:

Citation and commencement

1.—(1) These regulations may be cited as the Insurance Companies (Contents of Advertisements) Regulations (Northern Ireland) 1974 and shall come into operation on 1st November 1974.

(2) The Interpretation Act (Northern Ireland) 1954(b) shall apply to these regulations as it applies to a Measure of the Northern Ireland Assembly.

Application

2.—(1) Subject to paragraph (2), regulations 3 and 4 shall apply to any insurance advertisement which invites any person to enter into or to offer to enter into, or which contains information calculated to lead directly or indirectly to any person entering into or offering to enter into, any contract of insurance (other than a contract of reinsurance) with an insurer named in the advertisement the effecting of which by him would constitute the carrying on by him of ordinary long-term insurance business and is issued at a time when the insurer named in the advertisement is not authorised to carry on that class of business in Northern Ireland by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968(c) or in Great Britain by or under section 3 of the Insurance Companies Act 1974(d).

(2) Regulations 3 and 4 shall not apply to any insurance advertisement if the insurer named in the advertisement is permitted to carry on ordinary long-term insurance business in Northern Ireland otherwise than by virtue of an authorisation to do so by or under section 4 of the Insurance Companies Act (Northern Ireland) 1968 or is permitted to carry on that class of business in Great Britain otherwise than by virtue of an authorisation to do so by or under section 3 of the Insurance Companies Act 1974.

3. An insurance advertisement to which this regulation applies shall include the words "An insurance company which does not and is not authorised to carry on in any part of the United Kingdom business of the class to which this advertisement relates" and those words shall appear prominently—

(a) immediately after or alongside the statement of the name of the insurer, or

(a) 1973. c. 58.
(b) 1954. c. 33.

(c) 1968. c. 6 (N.I.).
(d) 1974. c. 49.

- (b) if the name of the insurer is stated more than once in the advertisement, immediately after or alongside the most prominent of the statements of that name and for this purpose if two or more statements of the name are equally prominent that which appears first in the advertisement shall be treated as the most prominent.

4.—(1) An insurance advertisement to which this regulation applies shall, if it states the name of any United Kingdom agent of the insurer named in the advertisement and that United Kingdom agent is not independent of the named insurer, contain a statement naming the insurer and stating that the United Kingdom agent is a person who is not independent of the insurer and that statement shall appear prominently—

- (a) immediately after or alongside the statement of the name of the United Kingdom agent, or
- (b) if the name of the United Kingdom agent is stated more than once in the advertisement, immediately after or alongside the most prominent of the statements of that name and for this purpose if two or more statements of the name are equally prominent that which appears first in the advertisement shall be treated as the most prominent.

(2) For the purposes of this regulation—

- (a) a person shall be deemed to be a United Kingdom agent of an insurer if he is a person who carries on any business in the United Kingdom in the course of which he performs functions for or on behalf of the insurer;
- (b) a United Kingdom agent of an insurer shall be regarded as not independent of that insurer at a particular time if at that time—
- (i) the United Kingdom agent or any partner, director, controller or manager of the United Kingdom agent is a partner, director, controller or manager of the insurer,
- (ii) the insurer or any partner, director, controller or manager of the insurer is a partner, director, controller or manager of the United Kingdom agent,
- (iii) the United Kingdom agent is a body corporate and the insurer has any interest in any shares or debentures of the United Kingdom agent, or
- (iv) the insurer is a body corporate and the United Kingdom agent has any interest in any of the shares or debentures of the insurer, and for this purpose a person shall be deemed to be interested in shares or debentures of a body corporate if he is interested in them according to the rules set out in section 28 of the Companies Act 1967 with the addition, in subsection (9) of that section of a reference to a scheme made under section 25 of the Charities Act (Northern Ireland) 1964^(e) and to an authorised unit trust scheme within the meaning of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940^(f).

5. Any insurance advertisement which contains the name of an insurance company to which the Insurance Companies Act (Northern Ireland) 1968 or the Insurance Companies Act 1974 applies, being a company incorporated with a share capital, and which states the amount of the authorised

^(e) 1964. c. 33 (N.I.).

^(f) 4 & 5 Geo. 6 c. 9 (N.I.).

capital of the company, shall also state the amount of that capital which has been subscribed and the amount thereof which has been paid up at the time the advertisement is issued.

Sealed with the Official Seal of the Department of Commerce for Northern Ireland this 4th day of October 1974.

(L.S.)

E. Simpson,
Assistant Secretary.

EXPLANATORY NOTE

(This note is not part of the regulations, but is intended to indicate their general purport.)

These regulations prescribe that advertisements of any kind which offer the issue of ordinary long-term insurance policies (otherwise than by way of reinsurance) by an insurer from outside the United Kingdom who is not authorised to carry on ordinary long-term insurance business in the United Kingdom must state that the insurer is not so authorised and that, if such an advertisement states the name of the intermediary in the United Kingdom who acts for the insurer and the intermediary and the insurer are not independent of each other, the advertisement must state that fact. Ordinary long-term insurance business includes life insurance business.

The regulations also prescribe that any insurance advertisement which states the authorised capital of the insurer must also state the amount of the subscribed capital and the amount of the capital which has been paid up.