

ASSURANCE COMPANIES ACT, 1946.

[9 & 10 GEO. 6. CH. 28.]

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CHAPTER 28.

An Act to amend the law relating to the carrying on of assurance business. [6th March 1946.]

BE it enacted by the King'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:—

1.—(1) Subsection (1) of section twenty of the Air Navigation Act, 1936 (which defines aircraft insurance business and includes it among the classes of business to which the principal Act applies), shall not come into force with the other provisions of Part III of that Act, and section one of the principal Act shall have effect as if, after the paragraph inserted therein by section forty-two of the

Marine,
aviation and
transit
insurance
business.

26 Geo. 5 &
1 Edw. 8. c. 44.
20 & 21 Geo. 5.
c. 43.

Road Traffic Act, 1930, there were added the following paragraph:—

“(g) marine, aviation and transit insurance business, that is to say, the business of effecting and carrying out, otherwise than incidentally to some other class of assurance business, contracts of insurance—

(i) upon vessels or aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft; or

(ii) upon goods, merchandise or property of any description whatever on board vessels or aircraft; or

(iii) upon the freight of, or any other interest in or relating to, vessels or aircraft; or

(iv) against damage arising out of or in connection with the use of vessels or aircraft, including third party risks; or

(v) against risks incidental to the construction, repair or docking of vessels, including third party risks; or

(vi) 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

(vii) 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 provisions of this paragraph.”

(2) In its application to marine, aviation and transit insurance business, the principal Act shall have effect subject to the following modifications:—

(a) section three (which relates to the separation of funds) shall not apply;

(b) the form of revenue account under paragraph (a) of section four applicable to that business shall be the form set out in Part I of the First Schedule to this Act;

(c) sections five and six (which require the periodical making of an actuarial report on, and a statement of, the assurance business of the company) shall not apply;

(d) the expressions “policy” and “policy holder,” shall have the same meanings as they have in relation to accident insurance business;

(e) at the end of the Sixth Schedule (which contains rules for valuing policies and liabilities in a winding up) there shall be inserted the paragraph set out in Part II of the First Schedule to this Act.

(3) Paragraph (b) of subsection (1) of section thirty-three of the principal Act (which exempts from that Act employers' liability insurance business carried on as incidental only to the business of

marine insurance) shall cease to have effect, but, for the purposes of the principal Act and this Act, employers' liability insurance business shall not include any business carried on as incidental only to marine, aviation and transit insurance business.

Minimum
paid up
share capital.
19 & 20
Geo. 5. c. 43

2.—(1) Subject to the provisions of the Second Schedule to this Act, no person shall carry on in Great Britain assurance business of a class to which the principal Act applies except a company incorporated, whether under the Companies Act, 1929, or otherwise, and having a paid-up share capital of not less than fifty thousand pounds.

(2) If any person contravenes the provisions of subsection (1) of this section, 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, 1929, 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.

Rules made under section three hundred and five of the Companies Act, 1929, may regulate the procedure and the practice to be followed in the case of proceedings under sub-paragraph (i) of paragraph (b) of this subsection.

(3) Subject to the provisions of the said Second Schedule, the statutory declaration required by section ninety-four of the Companies Act, 1929, 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 registered after the commencement of this Act the objects whereof include the carrying on of assurance business of any class to which the principal Act applies, include a statement that not less than fifty thousand pounds of the company's share capital has been paid up.

Margin of
solvency.

3.—(1) Subject to the provisions of the Second Schedule to this Act, an assurance company carrying on general business shall be deemed, for the purposes of section one hundred and sixty-eight of the Companies Act, 1929 (which authorises the court to wind up a company unable to pay its debts), to be unable to pay its debts if the value of its assets does not exceed the amount of its

liabilities by whichever is the greater of the following amounts, namely—

- (a) fifty thousand pounds; or
- (b) one-tenth of the general premium income of the company in its last preceding financial year;

and the Assurance Companies (Winding up) Acts, 1933 and 1935, shall apply accordingly:

Provided that, subject to the provisions as to existing companies contained in Part I of the Second Schedule to this Act, this section shall not apply to an assurance 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 assurance 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 assurance company in any year shall be taken to be the net amount, after deduction of any premiums paid by the company for re-insurance, of the premiums received by the company in that year in respect of all assurance business (including business to which the principal Act does not apply) other than long term business.

(3) Regulations made by the Board of Trade may require that, in every balance sheet prepared under section four of the principal Act by an assurance 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 for the purposes of this section;

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 the principal Act or otherwise.

4.—(1) Subject to the provisions of the Second Schedule to this Act, no assurance company shall be required after the commencement of this Act to deposit any sum under section two of the principal Act. Deposits

(2) The rules made by the Board of Trade under subsection (6) of the said section two in respect of the withdrawal of deposits shall include provision for allowing an assurance company to withdraw any deposit made by it under that section, if the Board are satisfied in manner provided by the rules—

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 three of this Act; and

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 under section three of the principal Act, 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.

5.—(1) For the purpose of the following enactments (which make insurance against certain risks compulsory), namely—

(a) Part II of the Road Traffic Act, 1930;

(b) section one of the Workmen's Compensation (Coal Mines) Act, 1934; and

(c) section sixteen of the Air Navigation Act, 1936;

any person or body of persons carrying on in Great Britain assurance business of the relevant class shall, subject to the provisions of the Second Schedule to this Act, be an authorised insurer.

(2) In the foregoing subsection the expression "assurance business of the relevant class" means—

(a) for the purposes of paragraph (a) thereof, motor vehicle insurance business;

(b) for the purposes of paragraph (b) thereof, employer's liability insurance business;

(c) for the purposes of paragraph (c) thereof, marine, aviation and transit insurance business.

(3) The authority having power under subsection (2) of section forty-three of the Road Traffic Act, 1930, or sub-paragraph (2) of

paragraph 7 of the Third Schedule to the Air Navigation Act, 1936, to modify and adapt rules made by the Board of Trade under section two of the principal Act in their application to the deposits referred to in the said enactments shall have power to make such rules with respect to the said deposits as the Board of Trade might have made under the said section two with respect to deposits under the principal Act, had this Act not been passed.

6. As respects—

- (a) the existing assurance companies mentioned in Part I of the Second Schedule to this Act; and
- (b) members of Lloyd's or of any such approved association as is mentioned in Part II of that Schedule; and
- (c) the mutual associations mentioned in Part III of that Schedule; and
- (d) the friendly societies and trade unions mentioned in Part IV of that Schedule; and
- (e) such assurance companies as are mentioned in Part V of that Schedule;

Provision for existing companies, Lloyd's, mutual associations and other special cases.

the provisions respectively contained in the said Parts I to V shall have effect for adapting the operation of the principal Act and this Act to the special circumstances of those assurance companies and in particular for conferring exemptions from all or any of the provisions of that Act and this Act.

7.—(1) Paragraph (f) of section thirty-one and paragraph (e) of section thirty-two of the principal Act (which, as extended by subsection (2) of section forty-two of the Road Traffic Act, 1930, and subsection (2) of section twenty of the Air Navigation Act, 1936, exempt fire insurance business, accident insurance business, motor vehicle insurance business and aircraft insurance business from the provisions of the principal Act relating to the amalgamation of companies and the transfer of business from one company to another) shall cease to have effect; and—

Consequential amendments of principal Act.

- (a) the provisions of the principal Act relating to the amalgamation of companies shall apply only where one or both of the companies carries on long term business or employer's liability insurance business; and
- (b) the provisions of the principal Act relating to the transfer of assurance business from one company to another shall apply only to long term business and employer's liability insurance business.

(2) The provisions of the principal Act set out in the Third Schedule to this Act shall have effect as if references to the principal Act included references to this Act.

(3) The Board of Trade may by regulations prescribe such modifications of any of the forms set out in the Schedules to the principal Act as appear to them to be necessary in consequence of the passing of this Act.

Exercise of
powers of
Board of
Trade.
13 & 14 Geo. 5.
c. 8.

8.—(1) Subsection (2) of section twelve of the Industrial Assurance Act, 1923, (which provides for the exercise, in relation to industrial assurance business, by the Industrial Assurance Commissioner of the powers and duties of the Board of Trade or the President of the Board of Trade under the principal Act) shall have effect as if references to the principal Act included references to this Act.

(2) Subject to the provisions of the foregoing subsection, anything required or authorised by or under the principal Act or this Act, or the Assurance Companies (Winding up) Acts, 1933 and 1935, 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.

Regulations
and rules.

9.—(1) All regulations made under this Act, and all rules made after the commencement of this Act under section twenty-nine of the principal Act with respect to the qualifications of actuaries, shall be laid before Parliament as soon as may be after they are made.

(2) If either House of Parliament, within the period of forty days beginning with the day on which any such regulations or rules as aforesaid, or any rules made after the commencement of this Act with respect to deposits under subsection (6) of section two of the principal Act, are laid before it, resolves that the regulations or rules be annulled, the regulations or rules shall thereupon become void, but without prejudice to the validity of anything previously done thereunder or to the making of new regulations or rules.

(3) In reckoning any such period of forty days, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

Expenses.
16 & 17 Geo. 5.
c. 9.

10. 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, 1929, in relation to the winding-up of companies in England) there shall be defrayed out of moneys provided by Parliament—

- (a) any expenses incurred by the Board of Trade under this Act; and
- (b) any such increase in the expenses incurred by the Board of Trade under the principal Act or the Assurance Companies (Winding up) Acts, 1933 and 1935, as may be attributable to the passing of this Act.

11.—(1) In this Act the following expressions have the meanings Interpretation, hereby respectively assigned to them:—

“general business” means assurance business to which the principal Act applies, not being long term business;

“long term business” means assurance 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 assurance company, assurance business carried on by the company as incidental only to any such class of business;

“the principal Act” means the Assurance Companies Act, 1909, as amended by any subsequent enactment, including, unless the context otherwise requires, this Act; ^{9 Edw. 7. c. 49.}

and the expressions “actuary”, “assurance company”, “court” and “financial year” have the same meanings as in the principal Act.

(2) For the purposes of this Act, a company as defined by section three hundred and eighty of the Companies Act, 1929, shall be deemed to carry on in Great Britain assurance business which it carries on in any part of the world.

(3) It is hereby declared that in section one of the principal Act references to damage include references to loss of life and personal injury.

12. No limitation on the powers of the Parliament of Northern Ireland imposed by the Government of Ireland Act, 1920, shall preclude that Parliament from enacting any provision corresponding to some provision of this Act. ^{Northern Ireland.}

13.—(1) This Act may be cited as the Assurance Companies Act, 1946, and the principal Act, the Assurance Companies (Winding up) Acts, 1933 and 1935, and this Act may be cited together as the Assurance Companies Acts, 1909 to 1946. ^{Short title, citation, repeal and extent.}

(2) The enactments set out in the Fourth Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.

(3) This Act shall not extend to Northern Ireland, except in so far as it enlarges the powers of the Parliament of Northern Ireland.

Section 1.

SCHEDULES.

FIRST SCHEDULE.

Marine, Aviation and Transit Insurance Business.

PART I. FORM OF REVENUE ACCOUNT.

REVENUE ACCOUNT OF
(being an account of income and expenditure in that year in respect of business arising (a) in that year, (b) in the last preceding year, and (c) in previous years).

INSURANCE BUSINESS
for the year ended , 19 , in respect of MARINE, AVIATION AND TRANSIT

	(a) Current Year.	(b) Last Pre- ceding Year.	(c) Pre- vious Years.	Total.	(a) Current Year.	(b) Last Pre- ceding Year.	(c) Pre- vious Years.	Total.
Amount of Marine, Aviation and Transit insurance fund at beginning of the year ...	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Premiums (less Brokerage, Discount, Commission, Returns and Re-insurances):—								
Risks other than Aviation Hull risks. ...								
Aviation Hull risks ...								
Other Income (to be specified) ...								
Loss transferred to Profit and Loss Account ...								
Claims paid (less Salvages, Refunds and Re-insurance Recoveries) (i):—								
Risks other than Aviation Hull risks ...								
Aviation Hull risks ...								
Expenses of Management (ii)								
Other Expenditure (to be specified) ...								
Profit transferred to Profit and Loss Account ...								
Amount of Marine, Aviation and Transit insurance fund at end of year as shown in the Balance Sheet ...								

NOTES.—(i) This heading must include all expenses directly incurred in settling claims.

(ii) If any sum has been deducted from this item and entered on the assets side of the balance sheet, the amount so deducted

PART II. PARAGRAPH TO BE INSERTED AT END OF
SIXTH SCHEDULE TO PRINCIPAL ACT.

1ST SCH.
—cont.

(F)

*As respects Marine, Aviation and Transit Policies.
Rule for valuing a policy.*

The value of a current 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.

SECOND SCHEDULE.

Sections 2, 3, 4,
5, 6.

Adaptations, etc., for Special Cases.

PART I. EXISTING COMPANIES.

1. Section two of this Act shall not apply to any assurance company which, immediately before the twenty-ninth day of October, nineteen hundred and forty-five, was carrying on in Great Britain assurance business of any class to which the principal Act applies, in compliance with such of the provisions of the principal Act as then applied to the company and to that class of business:

Provided that no such assurance company shall be an authorised insurer for the purposes of section sixteen of the Air Navigation Act, 1936, unless it is a body corporate having a paid-up share capital of not less than fifty thousand pounds (as required by the said section two).

2. Section three of this Act shall not apply to any assurance company which at the commencement of this Act is carrying on general business (whether in Great Britain or elsewhere), before the expiration of the period of two years, or such longer period as the Board of Trade may in any case allow, from the commencement of this Act:

Provided that (notwithstanding anything in the foregoing provisions of this paragraph or in the said section three) in the case of any such assurance company which, immediately before the said twenty-ninth day of October, was carrying on in Great Britain assurance business of a class to which the principal Act applies—

- (a) if the company, within the said two years or longer period, withdraws, in pursuance of rules made by virtue of section four of this Act, any sum deposited under section two of the principal Act, the said section three shall apply to the company from the date of the withdrawal;
- (b) if the company, on or after the said twenty-ninth day of October and before the expiration of the said two years or longer period, has commenced or commences to carry on (whether in Great Britain or elsewhere) assurance business of any class to which the principal Act applies which it was not carrying on immediately before the said twenty-ninth day of October, the said section three shall apply to the company from the commencement of this Act or from the time when it commences to carry on business of that class, whichever is the later.

PART II. LLOYD'S AND OTHER ASSOCIATIONS
OF UNDERWRITERS.

1. Sections two and three of this Act shall not apply to a member of Lloyd's or of an approved association to whom the principal Act does not apply by virtue of subsection (2) of section twenty-eight of the principal Act (which provides that that Act shall not apply to a member of Lloyd's or of an approved association which complies with the requirements of the Eighth Schedule to that Act).

2. The Committee of Lloyd's, and the managing body of an approved association, shall deposit every year with the Board of Trade a statement in such form as may be prescribed by regulations made by the Board summarising the extent and character of the assurance business done by its members in the twelve months to which the statement relates; and the said regulations may require the statement to deal separately with such classes or descriptions of business as may be specified in the regulations.

3.—(1) As from such day as the Board of Trade may by order appoint, there shall be substituted for the said Eighth Schedule to the principal Act the following Schedule:—

“EIGHTH SCHEDULE.

Requirements to be complied with by Underwriters being Members of Lloyd's or of any other Association of Underwriters Approved by the Board of Trade.

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 assurance 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 to the Committee or managing body and to the Board of Trade in such form as the Board may by regulations prescribe.

(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 assurance 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 ^{2ND SCH.}
Lloyd's or the managing body of the association, as the case may be, ^{—cont.}
furnish to them such information as they may require for the purpose
of preparing the statement as to the business done by its members
which is to be deposited by them with the Board of Trade”.

(2) The Board of Trade may make regulations providing for the
manner in which deposits made, and premiums placed in a trust fund,
under the provisions for which the Schedule set out in the foregoing
sub-paragraph is to be substituted are to be dealt with on the said substitu-
tion taking effect, and for any other matters which appear to them 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 those provisions.

4. In this Part of this Schedule the expression “approved association”
means an association of underwriters approved by the Board of Trade
under and for the purposes of subsection (2) of the said section twenty-
eight of the principal Act.

PART III. 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 assurance business of any class to which the principal Act applies,
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)
is may be specified in the order.

(2) Where an order is made under this paragraph as respects any
association, subsection (1) of section four of this Act shall also not apply
to the association.

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 the provisions of sections two and three
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 sections two and three of this Act and the provisions of the principal 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 employers' liability business or marine, aviation and transit insurance business, as the case may be, and business incidental thereto.

(2) An association as respects which an order is for the time being in force under this paragraph shall not be an authorised insurer—

- (a) for the purposes of section sixteen of the Air Navigation Act, 1936, unless it is a body corporate having a share capital of not less than fifty thousand pounds (as required by the said section two);
- (b) for the purposes of section one of the Workmen's Compensation (Coal Mines) Act, 1934, unless the association either was formed before the end of the year nineteen hundred and thirty-three or has deposited the sum of twenty thousand pounds with the Accountant General of the Supreme Court in pursuance of section four of the said Act.

(3) 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 commencement of this Act.

4. Where a direction under this Part of this Schedule is given in respect of a company registered under the Companies Act, 1929, after the commencement of this Act, being a company which has not commenced business, the statutory declaration required by section ninety-four of that Act 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 IV. FRIENDLY SOCIETIES AND TRADE UNIONS.

1. Subsection (1) of section four of this Act shall not affect the operation of section seven of the Industrial Assurance Act, 1923 (which provides that a collecting society shall be under the like obligation to deposit and keep deposited the sum of twenty thousand pounds as an industrial assurance company), but subsection (2) of the said section four shall apply to a collecting society with the substitution for references to the Board of Trade of references to the Industrial Assurance Commissioner.

2. Subject to the provisions of the foregoing paragraph, nothing in this Act shall apply to a body of persons registered under the Acts relating to friendly societies or trade unions.

3. Where, under section thirty-five of the principal Act, an unregistered friendly society or trade union is exempted from that Act, the last foregoing paragraph shall apply to it as if it were a registered friendly society or trade union.

PART V. MISCELLANEOUS SPECIAL CASES.

2ND SCH.
—cont.

1. Regulations made by the Board of Trade may provide that, in their application to an assurance company established in a country outside Great Britain, sections two and three 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.

2.—(1) Where, on the application of any assurance company carrying on general business, the Board of Trade are satisfied that it is guaranteed by another assurance 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 three of this Act shall not apply to the first mentioned assurance 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 three of this Act; or
- (b) an underwriter to whom the said sections two and three do not apply by virtue of Part II of this Schedule; or
- (c) an assurance company as respects which, as being itself guaranteed by another assurance company, there is an order in force under this paragraph;

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

3. Where, on the application of any assurance 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 three of this Act are inappropriate or unduly onerous to the company;

the Board may by order direct that, subject to such conditions as may be specified in the order, the said section three 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 mentioned in that section.

4. Where, on the application of an assurance 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 the principal 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 to which the principal Act does not apply; 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 the principal Act and this Act:

Provided that an order directing that any business shall be treated as if it were business to which the principal Act does not apply 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 to which the principal Act does not apply or as if it were long term business.

5. The rules made by the Board of Trade under subsection (6) of section two of the principal Act in respect of the withdrawal of deposits shall include provision for allowing any assurance company as respects which a direction is given under paragraph 2 or 3 of this Part of this Schedule to withdraw any deposit made by it under that section.

6. 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.

Section 7.

THIRD SCHEDULE.

Provisions of Principal Act Applied.

<i>Provision of principal Act.</i>	<i>Subject matter.</i>
Section twenty	Custody and inspection of documents deposited with Board of Trade.
Section twenty-one	Evidence of documents.
Section twenty-two	Alteration of forms.
Section twenty-four	Penalty for falsifying statements, etc.
Section twenty-seven	Accounts, etc., to be laid before Parliament.
Subsection (1) of section twenty-eight.	Saving for National Debt Commissioners and the Postmaster-General.
Paragraph (g) of section thirty.	Business to be treated as life assurance business under special Act.
Paragraph (i) of subsection (1) of section thirty-three.	Exemption of employer's liability insurance business carried on abroad.

FOURTH SCHEDULE.

Enactments Repealed.

Session and Chapter.	Short Title.	Extent of Repeal.
9 Edw. 7. c. 49.	The Assurance Companies Act, 1909.	Paragraphs (b), (c), (d) and (f) of section thirty-one; paragraphs (b), (c) and (e) of section thirty-two; paragraphs (a), (b), (d), (e) and (f) of subsection (1) of section thirty-three, and subsection (2) of that section; paragraph (c) of section thirty-four; in the first sentence of the note at the head of the First Schedule, the words "marine insurance business or".
20 & 21 Geo. 5. c. 43.	The Road Traffic Act, 1930.	Subsection (3) of section thirty-six; paragraphs (a) and (b) of subsection (2) of section forty-two.
24 & 25 Geo. 5. c. 23.	The Workmen's Compensation (Coal Mines) Act, 1934.	Subsection (4) of section one.
26 Geo. 5. and 1 Edw. 8. c. 44.	The Air Navigation Act, 1936.	Paragraph (a) of subsection (4) of section sixteen; section twenty.

STATUTORY RULES AND ORDERS

1946 No. 1361

INSURANCE

The Assurance Companies (Balance Sheet Certificate) Regulations, 1946, dated August 9, 1946, made by the Board of Trade under section 3 of the Assurance Companies Act, 1946 (9 & 10 Geo. 6. c. 28).

The Board of Trade in pursuance of the powers conferred upon them by Section 3 of the Assurance Companies Act, 1946, and of all other powers enabling them in that behalf hereby make the following Regulations:—

1. There shall be included in every balance sheet prepared under Section 4 of the principal Act by an assurance company carrying on general business but not long term business, a certificate in the form set out in Part I of the Schedule to these Regulations.

2. There shall be included in every balance sheet prepared under Section 4 of the principal Act by an assurance company carrying on general business and long term business a certificate in the form set out in Part II of the Schedule to these Regulations and a certificate in the form set out in Part III of the said Schedule.