

adopted 5.10.82 (L3/83)

DRAFT INSURANCE BUSINESS (JERSEY) LAW, 198 .

Lodged au Greffe on 13th July, 1982 by the
Finance and Economics Committee.



STATES OF JERSEY

STATES GREFFE

Explanatory Note

The purpose of this Bill is to allow the incorporation of companies with the object of carrying on certain insurance business and to prohibit the carrying on of most classes of insurance business by unauthorised persons.

Persons who are authorised to carry on insurance business of a particular class or classes in the United Kingdom or another member state of the EEC may do so in Jersey to the same extent (Article 3(1)(a) and (b)).

Persons who are authorised by permit issued by the Finance and Economics Committee may carry on insurance business in or from within Jersey (Article 3(1)(c)).

A company incorporated in Jersey may not carry on insurance business in or from within another country unless it also holds a permit to do so in or from within Jersey (Article 3(2)).

Permits will extend only to "restricted insurance business" (Article 4). This restricts the business in two ways: (1) insuring the risks of a parent company (or group of companies) and other companies in the same economic family of companies; (2) reinsuring risks insured by another insurer. In addition the actual classes of insurance business to be done under a permit may be defined or certain classes may be excluded, e.g. life assurance might be prohibited.

Permits will not be granted annually. They will remain in force until cancelled. The Committee may attach conditions, which once attached may be varied (Article 6).

The Bill empowers the Committee to obtain information (Article 8) and prohibits misleading statements inducing persons to enter into contracts of insurance (Article 9).

The classes of insurance business are based on EEC requirements (First Schedule).

There will be a period of grace of six months before the prohibitions against carrying on insurance business without authorization come into operation (Article 15).

The Bill does not affect insurance business carried on by a member of Lloyd's or a body registered under the Friendly Society's Acts; insurance business carried on by a trade union or employers' association limited to the provision for its members of provident benefits or strike benefits; prescribed classes of general business if carried on solely in the course of carrying on and for the purpose of banking business; sole general business providing insurance benefits in kind; insurance business carried on under another enactment (for example by The Jersey Mutual Insurance Society) and such insurance business as may be prescribed in relation to prescribed persons or classes of persons (Article 3(4)).

The Bill contains transitional provisions which will allow the Committee to grant a permit for business which is not "restricted insurance business" to persons carrying on insurance business on the commencement of the Bill who are not authorised insurers in a member State of the E.E.C. (Article 14 and the Third Schedule).

MANPOWER IMPLICATIONS

- NOTES:
1. The Finance and Economics Committee, whilst accepting that it is almost impossible to evaluate the staffing implications of the implementation of this legislation, hopes that in the short term the additional pressures will be able to be contained by a shift in the priorities although it may be that a staff increase will be required at some stage in the future.
 2. The Establishment Committee is satisfied that administration of the legislation will not lead to any immediate requirement for staff, but will review the situation from time to time as the full extent of the administration workload becomes apparent.

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Arrangement of Articles.

1. Interpretation.
2. Classes of insurance business relevant for Article 3.
3. Prohibition of carrying on insurance business unless authorised.
4. Permits to be granted only for restricted insurance business.
5. Application for permit.
6. Grant or refusal of permit, imposition of conditions and cancellation of permit.
7. Procedure and right of appeal on refusal or cancellation of permit etc.
8. Power to obtain information and require production of documents.
9. Misleading statements etc., inducing persons to enter into contracts of insurance.
10. Offences and penalties.
11. Legal proceedings.
12. Orders.
13. Service of notices.
14. Transitional provisions
15. Repeal.
16. Short title and commencement.

Insurance Business (Jersey) Law, 198 .**Schedules.**

First Schedule	Classes of insurance business.
Second Schedule	Meaning of "holding company" and "subsidiary company".
Third Schedule	Transitional provisions.

INSURANCE BUSINESS (JERSEY) LAW, 198 .

A LAW to prohibit the carrying on of insurance business by unauthorised persons; to provide for the incorporation of insurance companies and for connected purposes, sanctioned by Order of Her Majesty on Council of the

(Registered on the _____ day of _____, 198).

STATES OF JERSEY.

The _____ day of _____, 198 .

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

ARTICLE 1.

Interpretation.

(1) In this Law, unless the context otherwise requires -

"Committee" means the Finance and Economics Committee;

"company" means a body corporate wherever incorporated;

"insurance " includes reinsurance ;

"insurance company" means a company carrying on insurance business;

"member State" has the meaning given in the European Communities (Jersey) Law, 1973¹

"order" means an order made by the Committee

¹Volume 1973-1974, page 97.

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"permit" means a permit granted under this Law;

"prescribed" means prescribed by order;

"restricted insurance business" has the meaning given in Article 4.

(2) Where in this Law there is a reference to an Article or Schedule by number only, and without further identification, such reference shall be construed as a reference to the Article or Schedule of that number contained in this Law.

(3) Where in any Article, Schedule or other division of this Law there is a reference to a Part, paragraph, sub-paragraph or clause by number or letter only, and without further identification, such reference shall be construed as a reference to the Part, paragraph, sub-paragraph or clause of that number or letter contained in the Article, Schedule or other division of this Law in which such reference occurs.

(4) Unless the context otherwise requires, where this Law refers to any enactment, the reference is a reference to that enactment as amended, and includes a reference to that enactment as extended or applied by or under any other enactment, including any other provision of that enactment.

ARTICLE 2.

**Classes of insurance business relevant for
Article 3.**

(1) The classes of insurance business relevant for the purposes of Article 3 are -

- (a) the classes of long term business specified in Part I of the First Schedule; and
- (b) the classes of general business specified in Part II of the First Schedule.

(2) In this Article "general business", and "long term business" have the same meanings as in the First Schedule.

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(3) The Committee may by order amend the provisions of the First Schedule.

ARTICLE 3.

**Prohibition of carrying on insurance business
unless authorised.**

(1) Subject to the provisions of this Law, no person shall carry on in or from within the Island insurance business of a class relevant for the purposes of this Article unless that person -

- (a) (i) is authorised under the Insurance Companies Act 1981 (1981 c.31) to carry on insurance business of that class in the United Kingdom; and
- (ii) that business would be lawfully carried on if it were carried on in the United Kingdom; or
- (b) (i) is authorised to carry on insurance business of that class in a member State; and
- (ii) that business would be lawfully carried on if it were carried on in that member State; or
- (c) (i) is authorised by a permit to carry on insurance business of that class; and
- (ii) that business is restricted insurance business lawfully carried on.

(2) No company incorporated under the Loi (1861) sur les Sociétés à Responsabilité Limitée² shall carry on in or from within a country or territory outside the Island insurance business of a class relevant for the purposes of this Article unless -

- (a) it is authorised by a permit to carry on in or from within the Island insurance business of that class; and

² Tomes I-III, page 232.

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- (b) the business carried on outside the Island would be lawfully carried on if it were carried on by it in or from within the Island.
- (3) Any person who carries on business in contravention of the provisions of this Article shall be guilty of an offence.
- (4) Subject to paragraph (5), paragraphs (1) and (2) shall not apply to -
 - (a) insurance business (other than industrial assurance business) carried on -
 - (i) by a member of Lloyd's; or
 - (ii) by a body registered under the Acts of Parliament relating to friendly societies which apply to the Island; or
 - (iii) by a trade union or employers' association where the insurance business carried on by the union or association is limited to the provision for its members of provident benefits or strike benefits;
 - (b) industrial assurance business carried on by a friendly society registered under the Acts of Parliament relating to such societies which apply to the Island;
 - (c) general business of such of the classes specified in Part II of the First Schedule as may be prescribed, if it is carried on solely in the course of carrying on, and for the purpose of, banking business;
 - (d) general business consisting in the effecting and carrying out, by an insurance company that carries on no other insurance business, of contracts of such descriptions as may be prescribed, being contracts under which the benefit provided by the insurer are exclusively or primarily benefits in kind;

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- (e) insurance business which is carried on under authority of an enactment other than this Law or the Loi (1861) sur les Sociétés à Responsabilité Limitée³;
 - (f) such persons or class of persons as may be prescribed.
- (5) Sub-paragraph (f) of paragraph (4) shall apply only in respect of the carrying on by such persons or class of persons of such insurance business as may be prescribed in relation to such persons or class of persons.
- (6) Nothing in this Law shall derogate from the provisions of the Motor Traffic (Third-Party Insurance) (Jersey) Law, 1948⁴.
- (7) Where paragraph (1) refers to the Insurance Companies Act 1981 (1981 c.31), the reference is a reference to that Act as amended, and includes a reference to that Act as extended or applied by or under any other Act of Parliament, including any other provision of that Act.

(8) In this Article -

- (a) "general business" and "industrial assurance business" have the same meanings as in the First Schedule;
- (b) "trade union" and "employers' association" have the meanings assigned to them by section 28 of the Trade Union and Labour Relations Act 1974 (1974 c.52).

ARTICLE 4.

Permits to be granted only for restricted insurance business.

- (1) The Committee shall not grant a permit for the carrying on of insurance business other than restricted insurance business.

³ Tomes I-III, page 232.

⁴ Tome VII, page 483.

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(2) For the purposes of this Law "restricted insurance business" means, in relation to a company holding a permit, business which consists wholly of and is restricted to effecting and carrying out contracts of any of the following kinds, namely -

- (a) contracts of insurance of the risks of -
 - (i) its holding company; and
 - (ii) any company associated with its holding company;
- (b) contracts of insurance of the risks of -
 - (i) not more than such number of companies as may be prescribed holding between them all of the issued shares of the company holding the permit; and
 - (ii) any company associated with any of them;
- (c) contracts of reinsurance of risks already insured by an insurance company.

(3) Subject to the provisions of Article 6, the holder of a permit may carry on any class of insurance business relevant for the purposes of Article 3.

(4) For the purposes of this Law -

- (a) a company shall be deemed to be associated with a company referred to in clause (i) of subparagraph (a) or (b) of paragraph (2) if it is a subsidiary of a company referred to in that clause or a company referred to in that clause has a continuing and substantial interest in the first mentioned company; and
- (b) "holding company" and "subsidiary company" shall have the meanings given in the Second Schedule.

ARTICLE 5.

Application for permit.

An application for a permit to carry on restricted insurance business shall -

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- (i) be in the form required from time to time by the Committee;
- (ii) contain or be accompanied by such particulars as the Committee may require;
- (iii) be verified in such manner and to such extent as the Committee may require; and
- (iv) be accompanied by the prescribed fee.

ARTICLE 6.

Grant or refusal of permit, imposition of conditions and cancellation of permit.

(1) The Committee may grant a permit to carry on restricted insurance business either unconditionally or subject to such conditions as it considers appropriate, or may refuse to grant a permit.

(2) The Committee may from time to time vary any condition attached to the grant of a permit or attach a new condition.

(3) Without prejudice to the generality of the provisions of paragraph (2), the Committee may attach to a permit a condition prohibiting the holder of the permit from effecting -

- (a) any contract of insurance; or
- (b) any contract of insurance of a specified class of insurance business relevant for the purposes of Article 3;

after such condition is attached to a permit.

(4) Subject to the provisions of this Law, a condition attached to a permit under paragraph (3) shall not prevent the holder of the permit from carrying out contracts of insurance effected before such condition was attached to the permit.

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(5) The Committee may prescribe conditions applicable to all permits.

(6) The Committee may cancel a permit -

- (a) if the holder of the permit has not commenced insurance business in or from within the Island within one year of the date of grant of the permit; or
- (b) if the holder of the permit ceases to carry on insurance business in or from within the Island; or
- (c) at the request of the holder of the permit; or
- (d) where the Committee has attached to a permit a condition of the kind referred to in sub-paragraph (a) of paragraph (3).

(7) Where the Committee acting under paragraphs (2) or (3) varies a condition attached to a permit or attaches a condition to a permit or acting under paragraph (6) cancels a permit, it shall give notice in writing thereof to the holder of the permit.

(8) If any person fails to comply with any condition attached to a permit or prescribed he shall be guilty of an offence.

ARTICLE 7.

Procedure and right of appeal on refusal or cancellation or permit etc.

(1) Where the Committee refuses the grant of a permit or cancels a permit or attaches any condition to the grant of a permit or varies any such condition the applicant or the holder of the permit, as the case may be, may require the Committee to furnish to him a statement in writing of its reasons for that decision.

(2) Any person aggrieved by such refusal or cancellation, or by the conditions attached to his permit or by any variation of such conditions may appeal to the Inferior Number of the Royal Court, either in term or in vacation, on

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the ground that the decision of the Committee was unreasonable having regard to all the circumstances of the case, and the decision of the Inferior Number of the Royal Court shall be final and without further appeal, but without prejudice to the right of the Inferior Number to refer the matter to the Superior Number of the Royal Court.

ARTICLE 8.

Power to obtain information and require production of documents.

(1) The Committee may require a company to which this Article applies to furnish the Committee, at specified times or intervals, with information about specified matters being, if the Committee so requires, information verified in a specified manner.

(2) The Committee may -

- (a) require a company to produce, at such time and place as the Committee may specify, such books and papers as it may specify; or
- (b) authorise any person, on producing (if required to do so) evidence of his authority, to require a company to produce to him forthwith any books or papers which that person may specify.

(3) Where by virtue of paragraph (2) the Committee or a person authorized by it has power to require the production of any books or papers from any company, the Committee or that person shall have the like power to require production of those books or papers from any person who appears to the Committee or that person to be in possession of them, but where any person from whom such production is required claims a lien on books or papers produced by him, the production shall be without prejudice to the lien.

(4) Any power conferred by or by virtue of paragraphs (2) and (3) to require a company or other person to produce books or papers shall include power -

- (a) if the books or papers are produced -

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- (i) to take copies of them or extracts from them; and
 - (ii) to require that person, or any other person who is a present or past director, controller or auditor of, or is or was at any time employed by, the company in question, to provide an explanation of any of them;
- (b) if the books or papers are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.

(5) A statement made by a person in compliance with a requirement imposed by virtue of this Article may be used in evidence against him.

(6) In this Article "books and papers" and "books or papers" includes accounts, deeds, writings and documents.

(7) Subject to the provisions of paragraph (8), any person who makes default in complying with, or with a requirement imposed under, this Article shall be guilty of an offence.

(8) Where a person is charged with an offence in respect of his default in complying with a requirement imposed under paragraph (2) or (3) to produce any books or papers it shall be a defence to prove that they were not in his possession or control and that it was not reasonably practicable for him to comply with the requirement.

(9) References in paragraphs (2) to (4) to a company include references to any person who appears to the Committee to be acting in contravention of the provisions of paragraphs (1) or (2) of Article 3.

(10) Subject to paragraph (9), in this Article "company" means a company which is the holder of a permit.

Insurance Business (Jersey) Law, 198 .**ARTICLE 9.****Misleading statements, etc. inducing persons to enter into contracts of insurance.**

Any person who, by any statement, promise or forecast which he knows to be misleading, false or deceptive, or by any dishonest concealment of material facts, or by the reckless making (dishonestly or otherwise) of any statement, promise or forecast which is misleading, false or deceptive, induces or attempts to induce another person to enter into or offer to enter into any contract of insurance with an insurance company shall be guilty of an offence.

ARTICLE 10.**Offences and penalties.**

- (1) Any person who -
 - (a) for the purpose of procuring, whether for himself or another person, a permit, makes any statement which he knows to be false in a material particular;
 - (b) in purported compliance with a requirement imposed under Article 8 furnishes information which he knows to be false in a material particular or recklessly furnishes information which is false in a material particular;

shall be guilty of an offence.

(2) Any person guilty of an offence under this Law for which no special penalty is provided shall be liable to a fine.

(3) Where a person continues to make default in complying with -

- (a) a condition attached to a permit or prescribed under Article 6; or
- (b) a requirement imposed under Article 8,

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after being convicted of that default he shall be guilty of a further offence and liable to a fine for each day on which the default so continues.

ARTICLE 11.**Legal proceedings.**

(1) Where an offence under this Law committed by a company is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary, or other similar officer of the company or any person who was purporting to act in any such capacity, he, as well as the company, shall be guilty of that offence and shall be liable to be prosecuted and punished accordingly.

(2) For the purposes of this Article, a person shall be deemed to be a director of a company if he occupies in relation thereto the position of a director, by whatever name called, or is a person in accordance with whose directions or instructions the directors of the company or any of them act:

Provided that a person shall not, by reason only that the directors of a company act on advice given by him in a professional capacity, be taken to be a person in accordance with whose directions or instructions those directors act.

(3) No proceedings for an offence under this Law shall be instituted except by or with the consent of the Attorney General.

(4) Notwithstanding any enactment or rule of law to the contrary, proceedings which may be taken against any person for an offence against this Law may be taken within the period of a year and a day from the date on which evidence, sufficient in the opinion of the Attorney General to justify the proceedings, comes to the knowledge of the Committee or, where the person in question was outside the Island at that date, within the period of a year and a day from the date on which he first lands in the Island thereafter, whichever of the said periods last expires.

(5) For the purposes of paragraph (4), a certificate under the hand of the President of the Committee as to the

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date on which such evidence as aforesaid came to the knowledge of the Committee shall be conclusive evidence thereof.

ARTICLE 12.

Orders.

(1) The Committee may by order make provision for the purpose of carrying this Law into effect and, in particular but without prejudice to the generality of the foregoing, for prescribing any matter which is to be prescribed under this Law.

(2) The power to make orders under this Article includes power to vary or revoke a previous order and an order under this Article may make different provisions in relation to different cases or circumstance.

(3) The Subordinate Legislation (Jersey) Law, 1960⁵, shall apply to orders made under this Law.

ARTICLE 13.

Service of notices.

(1) This Article shall have effect in relation to any notice or other document required or authorised by or under this Law to be given to or served on any person.

(2) Any such document may be given to or served on the person in question -

- (a) by delivering it to him;
- (b) by leaving it at his proper address; or
- (c) by sending it by post to him at that address.

(3) Any such document may -

- (a) in the case of a company, be given to or served on the secretary, clerk or other similar officer of the company or any person who purports to act in any such capacity, by whatever name called;

⁵Tome VIII, page 849.

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- (b) in the case of a partnership, be given to or served on a partner or a person having the control or management of the partnership business.

(4) For the purposes of this Article and Article 12 of the Interpretation (Jersey) Law, 1954⁶ (meaning of service by post) in its application to this Article, the proper address of any person to or on whom a document is to be given or served shall be his last known address, except that -

- (a) in the case of a company or its secretary, clerk or other officer or person referred to in subparagraph (a) of paragraph (3), it shall be the address of the registered or principal office of the company;
- (b) in the case of a partnership or a person having the control or management of the partnership business, it shall be that of the principal office of the partnership;

and for the purposes of this paragraph the principal office of a company registered outside the Island or of a partnership carrying on business outside the Island shall be their principal office within the Island.

(5) If the person to be given or served with any document mentioned in paragraph (1) has specified an address within the Island other than his proper address within the meaning of paragraph (4) as the one at which he or someone on his behalf will accept documents of the same description as that document, that address shall also be treated for the purposes of this Article and Article 12 of the Interpretation (Jersey) Law, 1954⁷ as his proper address.

ARTICLE 14.

Transitional provisions.

Where on the day on which this Article comes into operation any person is carrying on in or from within the Island insurance business of a class relevant for the purposes

⁶ Tome VIII, page 381.

⁷ Tome VIII, page 381.

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of Article 3, without being authorised as mentioned in subparagraph (a) or (b) of paragraph (1) of Article 3, the provisions of the Third Schedule shall apply to that person.

ARTICLE 15.**Repeal.**

Article 44 of the Loi (1861) sur les Sociétés à Responsabilité Limitée⁸ is hereby repealed.

ARTICLE 16.**Short title and commencement.**

(1) This Law may be cited as the Insurance Business (Jersey) Law, 198 and, except for Article 3, shall come into operation forthwith on registration.

(2) Article 3 shall come into operation at the expiration of six months from the date of registration of this Law.

⁸ Tomes I-III, page 257.

Insurance Business (Jersey) Law, 198 .**FIRST SCHEDULE.**

(Article 2).

PART I.**Classes of long term business.**

Number	Description	Nature of business
I	Life and annuity	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life, but excluding (in each case) contracts within class III below.
II	Marriage and birth	Effecting and carrying out contracts of insurance to provide a sum on marriage or on birth of a child, being contracts expressed to be in effect for a period of more than one year.
III	Linked long term	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits 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 contracts) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified).
IV	Permanent health	Effecting and carrying out contracts of insurance pro

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Number	Description	Nature of business
		<p>viding specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that -</p> <p>(a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time, and</p> <p>(b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.</p>
V	Tontines	Effecting and carrying out tontines.
VI	Capital redemption	Effecting and carrying out capital redemption contracts, if such contracts are effected and carried out by a person (not being a person carrying on a banking business) who carries on long term business of class I, II, III, IV or V or general business of any class.

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Number VII	Description Pension fund management	Nature of business Effecting and carrying out -
		<p>(a) contracts to manage the investments of pension funds, (other than funds solely for the benefit of the officers or employees and their dependants of the person effecting and carrying out such contracts, or in the case of a company, partly for the benefit of those persons and partly for the benefit of officers or employees and their dependants of its subsidiary or holding company or a subsidiary of its holding company), or</p> <p>(b) contracts of the kind mentioned in paragraph (a) above that are combined with contracts of insurance covering either conservation of capital or payment of a minimum interest,</p> <p>if such contracts are effected and carried out by a person (not being a person carrying on a banking business) who carries on long term business of class I, II, III, IV or V or general business of any class.</p>

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PART II.

Classes of general business.

Number	Description	Nature of Business
1	Accident	<p>Effecting and carrying out contracts of insurance providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of both) against risks of the persons insured -</p> <p>(a) sustaining injury as the result of an accident or of an accident of a specified class, or</p> <p>(b) dying as the result of an accident or of an accident of a specified class, or</p> <p>(c) becoming incapacitated in consequence of disease or of disease of a specified class,</p> <p>inclusive of contracts relating to industrial injury and occupational disease but exclusive of contracts falling within class 2 or within class IV in Part I (permanent health).</p>
2	Sickness	<p>Effecting and carrying out contracts of insurance providing fixed pecuniary benefits or benefits in the</p>

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Number	Description	Nature of Business
3	Land vehicles	nature of indemnity (or a combination of the two) against risks of loss to the persons insured attributable to sickness or infirmity, but exclusive of contracts falling within class IV in Part I.
4	Railway rolling stock	Effecting and carrying out contracts of insurance against loss of or damage to vehicles used on land, including motor vehicles but excluding railway rolling stock.
5	Aircraft	Effecting and carrying out contracts of insurance against loss of or damage to railway rolling stock.
6	Ships	Effecting and carrying out contracts of insurance upon aircraft or upon the machinery, tackle, furniture or equipment of aircraft.
7	Goods in transit	Effecting and carrying out contracts of insurance upon vessels used on the sea or on inland water, or upon the machinery, tackle, furniture or equipment of such vessels.
		Effecting and carrying out contracts of insurance against loss of or damage to merchandise, baggage and all other goods in transit, irrespective of the form of transport.

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Number	Description	Nature of Business
8	Fire and natural forces	Effecting and carrying out contracts of insurance against loss of or damage to property (other than property to which classes 3 to 7 relate) due to fire, explosion, storm, natural forces other than storm, nuclear energy or land subsidence.
9	Damage to property	Effecting and carrying out contracts of insurance against loss of or damage to property (other than property to which classes 3 to 7 relate) due to hail or frost or to any event (such as theft) other than those mentioned in class 8.
10	Motor vehicle liability	Effecting and carrying out contracts of insurance against damage arising out of or in connexion with the use of motor vehicles on land, including third-party risks and carrier's liability.
11	Aircraft liability	Effecting and carrying out contracts of insurance against damage arising out of or in connexion with the use of aircraft, including third-party risks and carrier's liability.
12	Liability for ships	Effecting and carrying out contracts of insurance against damage arising out of or in connexion with the use of vessels on the sea or on inland water, including

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Number	Description	Nature of Business
13	General liability	<p>third-party risks and carrier's liability.</p> <p>Effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, the risks in question not being risks to which class 10, 11 or 12 relates.</p>
14	Credit	<p>Effecting and carrying out contracts of insurance against risks of loss to the persons insured arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due.</p>
15	Suretyship	<p>Effecting and carrying out -</p> <ul style="list-style-type: none"> <li data-bbox="615 958 948 1213">(a) contracts of insurance against risks of loss to the persons insured arising from their having to perform contracts of guarantee entered into by them; <li data-bbox="615 1219 948 1412">(b) contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee, <p>if, in the case of contracts referred to in head (b)</p>

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Number	Description	Nature of Business
		<p>above, such contracts are effected and carried out by a person not carrying on a banking business, and such contracts are effected by way of business (and not merely incidentally to some other business carried out by the person effecting them) in return for the payment of one or more premiums.</p>
16.	<p>Miscellaneous financial loss</p>	<p>Effecting and carrying out contracts of insurance against any of the following risks, namely -</p> <ul style="list-style-type: none"> <li data-bbox="622 815 956 1097">(a) risks of loss to the persons insured attributable to interruptions of the carrying on of business carried on by them or to reduction of the scope of business so carried on; <li data-bbox="622 1128 956 1270">(b) risks of loss to the persons insured attributable to their incurring unforeseen expense; <li data-bbox="622 1301 956 1473">(c) risks neither falling within head (a) or (b) above nor being of a kind such that the carrying on of the business of effecting

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Number	Description	Nature of Business
		and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class.
17	Legal expenses	Effecting and carrying out contracts of insurance against risks of loss to the persons insured attributable to their incurring legal expenses (including costs of litigation).

PART III.

Groups.

1	Accident and health	Classes 1 and 2
2	Motor	Class 1 (to the extent that the relevant risks are risks of the person insured sustaining injury, or dying, as the result of travelling as a passenger) and classes 3, 7 and 10.
3	Marine and transport	Class 1 (to the said extent) and classes 4, 6, 7 and 12.
4	Aviation	Class 1 (to the said extent) and classes 5, 7 and 11.
5	Fire and other damage to property	Classes 8 and 9.
6	Liability	Classes 10, 11, 12 and 13

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7	Credit and suretyship	Classes 14 and 15
8	General	All classes

PART IV.**Interpretation.****1.-(1) In this Schedule -**

"class" means a class of the kind specified in Part I or Part II;

"group" means a group of the kind specified in Part III.

(2) A reference in this Schedule to a numbered class or to a numbered group is a reference to the class so numbered in Part I or Part II or to the group so numbered in Part III, as the case may be.

(3) A class or part of a class may be described in an order or permit by reference to a group specified in Part III.

2. In this Schedule -

(a) "long term business" means insurance business of any of the classes specified in Part I;

(b) "general business" means insurance business of any of the classes specified in Part II.

3.-(1) For the purposes of this Schedule the effecting and carrying out of a contract whose principal object is within one class of insurance business, but which contains related and subsidiary provisions within another class or classes, shall be taken to constitute the carrying on of insurance business of the first-mentioned class, and no other, if paragraph (2) or (3) applies to the contract.

(2) This paragraph applies to a contract whose principal object is within any class of long term business but which contains subsidiary provisions within general business

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class 1 or 2 if the insurer is authorised as mentioned in subparagraph (a), (b) or (c) of paragraph (1) of Article 3 to carry on long term business class I.

(3) This paragraph applies to a contract whose principal object is within one of the classes of general business but which contains subsidiary provisions within another of those classes, not being class 14 or 15.

4. In this Schedule, unless the context otherwise requires -

"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;

"industrial assurance business" has the meaning given in section 1(2) of the Industrial Assurance Act 1923 (13 & 14 Geo. V. cap. 8);

"vessel" includes hovercraft.

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SECOND SCHEDULE.

(Article 4(4)(b)).

Meaning of "holding company" and "subsidiary".

1.-(1) For the purposes of this Law, a company shall, subject to the provisions of paragraph (3), be deemed to be a subsidiary of another if, but only if, -

(a) that other either -

(i) is a member of it and controls the composition of its board of directors; or

(ii) holds more than half in nominal value of its equity share capital; or

(b) the first-mentioned company is a subsidiary of any company which is that other's subsidiary.

(2) For the purposes of paragraph (1), the composition of a company's board of directors shall be deemed to be controlled by another company if, but only if, that other company by the exercise of some power, exercisable by it without the consent or concurrence of any other person can appoint or remove the holders of all or a majority of the directorships; but for the purposes of this provision that other company shall be deemed to have power to appoint to a directorship with respect to which any of the following conditions is satisfied, that is to say -

(a) that a person cannot be appointed thereto without the exercise in his favour by that other company of such a power as aforesaid; or

(b) that a person's appointment thereto follows necessarily from his appointment as director of that other company; or

(c) that the directorship is held by that other company itself or by a subsidiary of it.

(3) In determining whether one company is a subsidiary of another -

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- (a) any shares held or power exercisable by that other in a fiduciary capacity shall be treated as not held or exercisable by it;
 - (b) subject to the following two sub-paragraphs, any shares held or power exercisable -
 - (i) by any person as a nominee for that other (except where that other is concerned only in a fiduciary capacity); or
 - (ii) by, or by a nominee for, a subsidiary of that other, not being a subsidiary which is concerned only in a fiduciary capacity;

shall be treated as held or exercisable by that other;
 - (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the first-mentioned company or of a trust deed for securing any issue of such debentures shall be disregarded;
 - (d) any shares held or power exercisable by, or by a nominee for, that other or its subsidiary (not being held or exercisable as mentioned in the last foregoing sub-paragraph) shall be treated as not held or exercisable by that other if the ordinary business of that other or its subsidiary, as the case may be, includes the lending of money and the shares are held or the power is exercisable as aforesaid by way of security only for the purposes of a transaction entered into in the ordinary course of that business.
- (4) For the purposes of this Law, a company shall be deemed to be another's holding company if, but only if, that other is its subsidiary.
- (5) In this Schedule the expression "equity share capital" means, in relation to a company, its issued share capital excluding any part thereof which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.

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THIRD SCHEDULE.

(Article 14).

Transitional provisions.

1. A person to whom this Schedule applies may be authorised by permit to carry on in or from within the Island insurance business of a class relevant for the purposes of Article 3.

2. Notwithstanding the provisions of paragraph (1) of Article 4, the Committee may grant a permit to a person to whom this Schedule applies for the carrying on of insurance business that is not restricted insurance business.

3. For the purposes of this Schedule references in clause (ii) of sub-paragraph (c) of paragraph (1) of Article 3, Article 5 and paragraph (1) of Article 6 to restricted insurance business shall be construed as references to insurance business.