

CHAPTER No. 11

**INSURANCE COMPANIES
(AMALGAMATIONS) ACT 2006**

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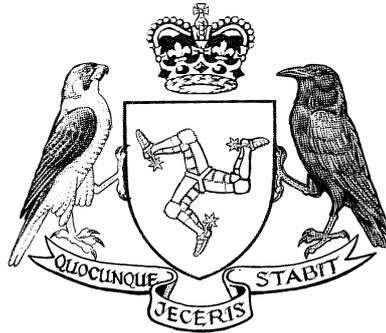
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INSURANCE COMPANIES (AMALGAMATIONS) ACT 2006

Arrangement of Sections

Section

1. Orders in respect of the amalgamation, reconstruction, etc. of insurance companies
2. Amendments
3. Interpretation
4. Short title



Isle of Man } Signed in Tynwald: 12th July 2006
to Wit } Received Royal Assent: 12th July 2006
Announced to Tynwald: 12th July 2006

AN ACT

to enable the Treasury by order to make provision for the amalgamation of insurance companies; and for connected purposes.

WE, your Majesty's most dutiful and loyal subjects, the Council and Keys of the said Isle, do humbly beseech your Majesty that it may be enacted, and be it enacted, by the Queen's Most Excellent Majesty, by and with the advice and consent of the Council and Keys in Tynwald assembled, and by the authority of the same, as follows (that is to say) :—

1. (1) The Treasury may by order make such provision as it thinks fit —

(a) in relation to the amalgamation of companies, whereby two or more companies amalgamate, and continue as one insurance company, which is one of the amalgamating companies or a new company;

(b) in relation to merger relief and relief in respect of group reconstructions under Part 1 of the Companies Act 1992, including (without prejudice to the generality of the foregoing) provision for relieving insurance companies in specified circumstances from the requirements of section 46 (and such other provisions as may be specified) of the Companies Act 1931.

Orders in respect of the amalgamation, reconstruction, etc. of insurance companies

[c.4]

[XIII p.235]

(2) An order under this section may amend any provision of the Companies Acts 1931 to 2004, the Insurance Act 1986 or the Limited Liability Companies Act 1996, or modify any provision of, or enactment made under those Acts in their

[c.24]

[c.19]

application to insurance companies or shares of any class or description governed by the order or otherwise in such manner as the Treasury thinks fit in order to give effect to the provisions of the order.

- (3) An order under this section —
 - (a) may empower the Insurance and Pensions Authority, in specified circumstances or for specified purposes, to make regulations and give directions;
 - (b) may empower the Insurance Supervisor, in specified circumstances or for specified purposes, to give directions;
 - (c) may prohibit the doing of anything regulated by the order otherwise than with the licence or permission of the Supervisor;
 - (d) may make provision for its enforcement, including the creation of offences punishable —
 - (i) on information with custody for up to 2 years, or a fine or both; or
 - (ii) on summary conviction with custody for up to 6 months or with a fine of up to £5,000 (if not calculated on a daily basis) or with a fine of no more than £200 a day;
 - (e) may make provision with respect to the liability of officers and others in respect of offences committed by a company;
 - (f) may make provision for the review of decisions and actions of the Insurance and Pensions Authority and the Supervisor in respect of applications for amalgamation and amalgamations;
 - (g) may make provision for —
 - (i) matters antecedent to amalgamation;
 - (ii) applications for approval of amalgamation;
 - (iii) the conditions subject to which amalgamation may take place;
 - (iv) the corporate structure of the continuing insurance company;
 - (v) the effect of amalgamation;

- (vi) certifying amalgamation and the effect of such certification;
 - (vii) the registration of documents relating to amalgamation under the Companies Acts 1931 to 2004;
 - (viii) the jurisdiction of the High Court to modify the effect of an amalgamation;
 - (ix) safeguarding creditors, members and others with a financial or property interest in the company or its affairs;
 - (x) the obligations and duties of officers and members of the continuing insurance company;
- (h) may make such other provision as the Treasury thinks fit for the purposes of giving effect to the order; and
- (i) may contain consequential, incidental, supplemental and transitional provisions.

(4) An order under this section shall be laid before Tynwald as soon as practicable after it is made, and if Tynwald at the sitting at which the order is laid or at the next following sitting fails to approve it, the order shall cease to have effect.

2. (1) In section 29(1) of the Insurance Act 1986, for “this Act or any regulations made under this Act” substitute “this Act or the Insurance Companies (Amalgamations) Act 2006 or any orders or regulations made under either of those Acts”. Amendments
[c.24]

- (2) In Schedule 3A to the Insurance Act 1986 —
- (a) in paragraph 1(1), the words “of a class equivalent to any of those specified in sub-paragraph (3)” shall cease to have effect;
 - (b) paragraph 1(3) shall cease to have effect;
 - (c) in paragraph 3(1), for “Treasury”, wherever occurring, substitute “Authority”;
 - (d) in paragraph 7(1), the words “of a class specified in sub-paragraph (3) and no other” shall cease to have effect;
 - (e) paragraph 7(3) shall cease to have effect;

(f) in paragraphs 9, 10(1)(a) and 12(a), for “Treasury”, wherever occurring, substitute “Authority”.

(3) Section 10 of the Insurance Act 1986 (which section has been superceded) shall cease to have effect.

Interpretation **3.** In this Act —

“amalgamation” shall be construed in accordance with the Companies Acts 1931 to 2004;

“company” means a body corporate;

“insurance company” means an insurer under the Insurance Act 1986.

Short title **4.** This Act may be cited as the Insurance Companies (Amalgamations) Act 2006.