



Jersey

INSURANCE BUSINESS (GENERAL PROVISIONS) (JERSEY) ORDER 1996

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INSURANCE BUSINESS (GENERAL PROVISIONS) (JERSEY) ORDER 1996

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THE ECONOMIC DEVELOPMENT COMMITTEE, in pursuance of Articles 5(4), 6, 7(8), 21(3) and 41 of the [Insurance Business \(Jersey\) Law 1996](#)¹, orders as follows –

Commencement [[see endnotes](#)]

1 Long term and general business exemptions

- (1) For the purposes of Article 5(5)(b) of the Law, there is hereby prescribed general business of class 14, 15, 16, 17 or 18.
- (2) For the purposes of Article 5(5)(f) of the Law, there is hereby prescribed any company incorporated in Jersey by or on behalf of an individual carrying on class 1 long term business solely for that individual and the individual's dependants.

2 General business (benefit in kind) exemptions

- (1) For the purposes of Article 5(5)(c) of the Law, there is hereby prescribed any contract of insurance which –
 - (a) is a contract under which the benefits provided by the insurer are exclusively or primarily benefits in kind in the event of accident to or breakdown of a vehicle; and
 - (b) contains the terms specified in paragraph (2).
- (2) The terms referred to in paragraph (1) are –
 - (a) that, subject to such restrictions as may be set out in the contract, the assistance shall normally be available on demand;
 - (b) that the assistance shall normally be provided by the insurer's servants or exceptionally by garages acting as the insurer's agents or appointed by the insurer;
 - (c) that the assistance may take any one or more of the following forms –

- (i) repairs to the relevant vehicle at the roadside,
- (ii) removal of the relevant vehicle to another place,
- (iii) conveyance of the relevant vehicle's occupants to another place,
- (iv) delivery of parts, fuel, oil, water or keys to the relevant vehicle,
- (v) reimbursement of the policy holder for all or part of any sums paid by the policy holder in respect of the assistance either because the policy holder failed to identify himself or herself as the policy holder or because the policy holder was unable to get in touch with the insurer in order to claim the assistance.

(3) In this Order –

“assistance” means the benefits to be provided under a contract of the kind prescribed in paragraph (1);

“breakdown” means an event –

- (a) which causes the driver of the relevant vehicle involuntarily to bring the vehicle to a halt on a journey because of some malfunction of the vehicle or failure of it to function; and
- (b) after which the journey cannot reasonably be continued in the relevant vehicle;

“insurer” means the insurance company providing the assistance;

“Law” means the [Insurance Business \(Jersey\) Law 1996](#);

“policy holder” means the person entitled to the assistance;

“relevant vehicle” means the vehicle (including a trailer or caravan) in respect of which the assistance is required.

3 2

5 Conditions applicable to permits

For the purposes of Article 7(8) of the Law there are prescribed in the Schedule to this Order, the conditions set out which are applicable to all Category B permits.

6 Circumstances in which auditors or reporting persons are to communicate to the Commission³

- (1) In exceptional circumstances, where it is in the interests of protecting persons transacting insurance business with a permit holder that the permit holder should not be informed in advance, the auditor or person appointed to make a report under Article 10 of the Law, shall report direct to the Commission. For example (but without limiting the generality of the foregoing) –

- (a) where there has been an occurrence which causes the auditor or reporting person no longer to have confidence in the integrity of the directors or senior management, for example, where they believe that a fraud or other misappropriation has been committed by the directors or senior management of the permit holder, or they have evidence of the intention of directors or senior management to commit such fraud or misappropriation;
 - (b) where there has been an occurrence which causes the auditor or reporting person no longer to have confidence in the competence of the directors or senior management to conduct the business of the permit holder in a prudent manner so as to protect the interests of policy holders, for example, where they have discovered that the directors or senior management are acting in an irresponsible or reckless manner with respect to the permit holder's affairs or they have evidence of an intention so to act;
 - (c) where the auditor or reporting person has reasonable cause to believe that there has been or is likely to be an occurrence of material significance for the exercise in relation to such a permit holder of the Commission's powers or functions under the Law.⁴
- (2) A direct report shall also be made where the permit holder will not itself inform the Commission of a matter, having been advised to do so by the auditor or reporting person or where it has not done so within the period of time specified, or where there is not adequate evidence that the permit holder has properly reported the matter in question.⁵

7 Duties and responsibilities of actuaries⁶

- (1) An actuary appointed by a permit holder under Article 25(1) of the Law shall –
- (a) prepare a valuation of the liabilities relating to the permit holder's long term business every year or more frequently if he or she considers it necessary in order properly to monitor the permit holder's margin of solvency; and
 - (b) endorse in writing the valuation basis and the calculation of the permit holder's solvency position in a statement provided as part of the annual financial statements required under Article 16 of the Law.
- (2) A valuation required by this Article shall be in accordance with such rules as may be in force and approved from time to time either by the Institute of Actuaries in England and Wales or the Faculty of Actuaries in Scotland.

8 Citation

This Order may be cited as the Insurance Business (General Provisions) (Jersey) Order 1996.

SCHEDULE⁷

(Article 5)

CONDITIONS APPLICABLE TO CATEGORY B PERMITS

- 1 The permit holder shall be and unless otherwise agreed by the Commission remain wholly owned by the person in whose name application for the permit is made.
- 2 There shall be no change in the directors of the permit holder, as disclosed in the written application to the Commission, without the prior consent of the Commission.
- 3 The permit holder shall not have any auditor holding office for the purposes of the Law who has not been approved by the Commission.
- 4 The permit holder shall not write risks or introduce new products, other than those set out in the application, without the prior consent of the Commission.
- 5 The permit holder shall furnish to the Commission at 6 monthly intervals such information relating to its business as may be determined by the Commission.
- 6 The permit holder shall furnish to the Commission at 6-monthly intervals financial statements (including a balance sheet and profit and loss account in a form to be determined by the Commission) prepared in accordance with International Accounting Standards or the Generally Accepted Accounting Practice (GAAP) of –
 - (a) the United Kingdom;
 - (b) The United States of America; or
 - (c) with the prior approval of the Commission, the country or territory in which the beneficial owner of the permit holder resides or is incorporated.
- 7 The permit holder shall furnish audited accounts to the Commission within 3 months of the end of the financial period.
- 8 The permit holder shall, unless otherwise agreed in writing by the Commission, restrict the investment of its liquid assets to bank deposits, government securities, certificates of deposit and approved Eurobonds.
- 9 There shall be provided to the Commission by the auditors of the permit holder at 6 monthly intervals formal confirmation that conditions 4 and 8 have been complied with.
- 10 The permit holder, when submitting the annual audited financial statements to the Commission, shall also provide the Commission with a 5-year rolling business plan including appropriate explanations of variances and amendments from year to year.

ENDNOTES

Table of Legislation History

Legislation	Year and Number	Commencement
Insurance Business (General Provisions) (Jersey) Order 1996	R&O.8973	1 October 1996
Insurance Business (General Provisions) (Amendment) (Jersey) Order 1998	R&O.9265	1 July 1998
Insurance Business (General Provisions) (Amendment No. 2) (Jersey) Order 2000	R&O.72/2000	1 October 2000
Insurance Business (General Provisions) (Amendment No. 3) (Jersey) Order 2003	R&O.32/2003	1 June 2003
Transfer of Functions (Economic Development Committee) (Jersey) Act 2003	R&O.101/2003	14 October 2003
Insurance Business (General Provisions) (Amendment No. 4) (Jersey) Order 2004	R&O.68/2004	1 August 2004
Insurance Business (General Provisions) (Amendment No. 5) (Jersey) Order 2006	R&O.7/2006	1 February 2006
Financial Regulation (Miscellaneous Provisions No. 4) (Jersey) Law 2016	L.14/2016	22 August 2016

Table of Renumbered Provisions

Original	Current
4	Lapsed, omitted
6A	7
7	8

Table of Endnote References

¹ The power to prescribe fees by Order of the Minister has been replaced by a power for the Jersey Financial Services Commission to publish fees (see chapter 13.425 as amended by L33/2007). Accordingly, all provisions of this Order prescribing fees lapsed on 24 January 2008 and have been removed.

² Article 3 deleted by L.14/2016

³ Article 6 heading amended by R&O.9265

⁴ Article 6(1) amended by R&O.9265

⁵ Article 6(2) amended by R&O.9265

⁶ Article 7 inserted by R&O.32/2003

⁷ Schedule amended by R&O.9265, R&O.32/2003