

ORDER IN COUNCIL

ratifying a Projet de Loi

ENTITLED

The Insurance Business (Amendment) (Guernsey and Alderney) Law, 1998

(Registered on the Records of the Island of Guernsey
on the 7th April, 1998.)



1998

II
1998

ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

The 7th day of April, 1998 before de Vic Graham Carey, Esquire, Deputy Bailiff; present:- Stanley Walter John Jehan, Leonard Arthur Moss, Charles Anthony Spensley, Lawrence Oscar Ozanne, David Charles Lowe, Esquires, Mrs. Eileen May Glass, Derek Martin Le Page, Alan Cecil Bisson and David Michael Jory, Esquires, Jurats.

The Deputy Bailiff having this day placed before the Court an Order of Her Majesty in Council dated the 18th day of March, 1998, approving and ratifying a *Projet de Loi* entitled "The Insurance Business (Amendment) (Guernsey and Alderney) Law, 1998", THE COURT, after the reading of the said Order in Council and after having heard Her Majesty's Comptroller thereon, ORDERED:-

1. That the said Order in Council be registered on the records of this Island; and
2. That an extract of this present Act, together with a copy of the said Order in Council, be sent by Her Majesty's Greffier to the Clerk of the Court of Alderney for registration on the records of that Island of which Order in Council the tenor followeth:-

At the Court at Buckingham Palace

The 18th day of March 1998

PRESENT,

The Queen's Most Excellent Majesty in Council

WHEREAS there was this day read at the Board a Report from the Right Honourable the Lords of the Committee of Council for the Affairs of Guernsey and Jersey dated the 18th day of February 1998 in the words following, viz:-

“YOUR MAJESTY having been pleased, by Your General Order of Reference of the 22nd day of February 1952, to refer unto this Committee the humble Petition of the States of the Island of Guernsey, setting forth:-

“1. That, in pursuance of their Resolution of the 18th day of April 1997, the States of Deliberation at a meeting held on the 1st day of August 1997 approved a Bill or “Projet de Loi” entitled “The Insurance Business (Amendment) (Guernsey and Alderney) Law, 1997”, and requested the Bailiff to present a most humble Petition to Your Majesty in Council praying for Your Royal Sanction thereto. 2. That the States of the Island of Alderney at a meeting held on the 1st day of October 1997 considered the said Bill or “Projet de Loi” when a Resolution was passed agreeing to the application of the same to Alderney. 3. That the said Bill or “Projet de Loi” is as set forth in the Schedule hereunto annexed. And most humbly praying that Your Majesty might be graciously pleased to grant Your Royal Sanction to the Bill or “Projet de Loi” of the States of Guernsey entitled “The Insurance Business (Amendment) (Guernsey and Alderney) Law, 1998”, and to order that the same shall have force of law in the Islands of Guernsey, Alderney, Herm and Jethou.”:

“THE LORDS OF THE COMMITTEE, in obedience to Your Majesty's said Order of Reference, have taken the said Petition and the said Projet de Loi into consideration and do this day agree humbly to

report, as their opinion, to Your Majesty, that it may be advisable for Your Majesty to comply with the prayer of the said Petition and to approve of and ratify the said Projet de Loi.”

HER MAJESTY, having taken the said Report into consideration, is pleased, by and with the advice of Her Privy Council, to approve of and ratify the said Projet de Loi, and to order, and it is hereby ordered, that the same shall have the force of Law within the Islands of Guernsey, Alderney, Herm and Jethou.

AND HER MAJESTY doth hereby further direct that this Order, and the said Projet de Loi (a copy whereof is hereunto annexed), be entered upon the Register of the Island of Guernsey and observed accordingly.

AND the Lieutenant Governor and Commander-in-Chief of the Island of Guernsey, the Bailiff and Jurats, and all other Her Majesty’s Officers for the time being in the said Island, and all other persons whom it may concern, are to take notice and govern themselves accordingly.

N. H. Nicholls

The Insurance Business (Amendment)
(Guernsey and Alderney) Law, 1998

THE STATES, in pursuance of their Resolution of 16th April 1997^a, have approved the following provisions which, subject to the sanction of Her Most Excellent Majesty in Council, shall have force of Law in the Islands of Guernsey, Alderney, Herm and Jethou.

Industrial and commercial Insurance Consultants

1. In Part IV of the Insurance Business (Guernsey) Law, 1986^b ("the 1986 Law"):

- (a) the title is altered to "INSURANCE MANAGERS, AND INDUSTRIAL AND COMMERCIAL INSURANCE CONSULTANTS";
- (b) in sections 40 and 42, and in their marginal notes, immediately after "insurance manager", wherever appearing, insert "or industrial and commercial insurance consultant";
- (c) in sections 43 and 46, immediately after "as an insurance manager", wherever appearing, insert ", or as an industrial and commercial insurance consultant,";
- (d) in section 44, immediately after "An authorisation" insert "as an insurance manager";

^a on Article 10 of Billet d'État No. VI of 1997.

^b Ordres en Conseil Vol. XXIX, p.214; Vol. XXX, p.243.

(e) in section 49:

- (i) for the marginal note, substitute "Address for service";
- (ii) for "An authorised insurance manager" substitute "Every authorised insurance manager and every authorised industrial and commercial insurance consultant".

Insurance Intermediaries

2. Immediately after Part IV of the 1986 Law the following new Part is inserted:

"

PART IVA INSURANCE INTERMEDIARIES

Interpretation of Part IVA

49A(1) An insurance intermediary is a person other than an insurance representative, an authorised insurance manager, or an authorised industrial and commercial insurance consultant, who by way of business-

- (a) advises clients on their insurance requirements, and/or
- (b) arranges contracts of insurance between insurers and clients.

(2) An insurance representative is an individual who acts on behalf of, and under a contract of agency or employment with, an insurer or insurance intermediary, for the purpose of arranging contracts of insurance for clients and giving advice to those clients.

(3) In this Part of this Law -

"accounts" means accounts in such form, and containing such information, as the Commission may from time to time require;

"action" includes inaction and failure to act;

"advice" means advice about a client's insurance requirements which includes the merits of buying, selling, lapsing, switching, cancelling, altering or converting a policy of insurance;

"authorised [insurance] representative" means an insurance representative authorised (by a registered insurance intermediary, registered insurer or authorised insurance manager) in accordance with section 49C;

"authorised industrial and commercial insurance consultant" means a person for the time being authorised under section 43 to act in Guernsey as an industrial and commercial insurance consultant;

a **"client"** of an insurance intermediary includes any person who contacts, or is contacted by, that insurance intermediary with a view to obtaining or giving advice or entering into a contract of insurance with an insurer, and any person for whom that insurance intermediary has arranged a contract of insurance with an insurer;

"code" means a code of conduct issued by the Commission under this Part of this Law;

a **"contract of agency"** is an arrangement under which a person other than an employee is able, within the scope of his authority, to contract with third parties on behalf of another person;

"general public" means any client other than a large client;

"guidance note" means a guidance note issued by the Commission under this Part of this Law;

"industrial and commercial insurance consultant" means a person other than an insurer or insurance manager, who by way of business advises, and/or arranges policies of insurance for, large clients only, and who

- (a) is not an employee, director, or partner, of or with the client or insurer, and
- (b) is remunerated solely by the client;

"insurance" does not include reinsurance;

"intermediary" means an insurance intermediary;

"large client" means a body or organisation which fulfills such criteria as the Commission may from time to time specify and publish by rules made under this subsection;

"recognised insurer" has the meaning given in section 49E(2);

"registered [insurance] intermediary" means a person registered as an insurance intermediary under this Law;

"registered insurer" includes an insurer carrying on business in such circumstances as not to require registration by virtue of section 8;

"representative" means an insurance representative;

and related words and expressions have corresponding meanings.

(4) Rules under subsection (3) must be made by an instrument in writing, and must be made available to the public in such manner and on such terms as to payment or otherwise as the Commission considers appropriate; and notice of their having been made must be published in *La Gazette Officielle*.

**Insurance intermediaries, insurance representatives
and recognised insurers**

Intermediaries to be registered by the Commission

49B(1) Subject to subsection (7), a person must not -

- (a) carry on business as an insurance intermediary, or
- (b) profess to carry on business as an insurance intermediary, or
- (c) use as a description the term "adviser", "broker", or "consultant" in combination with the term "insurance" or "assurance", or use any other description which might reasonably be understood to imply that that person carries on business as an insurance intermediary

in or from within Guernsey, unless that person is a registered insurance intermediary or a registered insurer; and a person who is remunerated in whole or in part otherwise than by fees paid by clients must not use as a description the term "consultant" in combination with the term "insurance" or "assurance".

(2) For the purposes of this Law, except to the extent that in any particular case the Commission may otherwise direct, an insurance intermediary professes to carry on business in or from within Guernsey if

- (a) by way of business, he occupies premises in Guernsey or makes it known by an advertisement or by an insertion in a directory or by means of letterheads or otherwise that he may be contacted at a particular address in Guernsey;
- (b) he invites a person in Guernsey, by issuing an insurance advertisement or otherwise, to enter into or offer to enter into a contract of insurance;
- (c) he is otherwise seen to be carrying on business as an insurance intermediary in or from within Guernsey.

but, for the avoidance of doubt, a person is not to be regarded as professing to carry on business as an insurance intermediary in Guernsey for the purposes of this Law merely because he contacts or visits a client in Guernsey at the request of that client.

(3) A person wishing to be registered as an insurance intermediary under this Law shall -

- (a) apply to the Commission in such form and manner as the Commission may from time to time require, and
- (b) pending the determination of the application, furnish the Commission with such information as the Commission may require, being, if the Commission so requires, information verified in a manner specified by the Commission, for the purpose of determining the application.

(4) Subject to subsection (5), the Commission may grant an application under this section

- (a) subject only to compliance with this Law and all applicable guidance notes and codes of conduct issued from time to time under this Law, or
- (b) subject to such compliance and subject also to additional conditions;

and if the Commission grants an application (conditionally or unconditionally) it shall issue to the applicant a certificate of registration as an insurance intermediary under this Law.

(5) The Commission shall grant an application for registration under this section if it is satisfied that the applicant is and is likely to remain a fit and proper person to be so registered, and in particular -

- (a) that the applicant will take responsibility for the actions and conduct of his authorised insurance representatives when

acting or purporting to act under their authorisations, and will meet his obligations under section 49C(2); and

- (b) that the applicant will maintain adequate professional indemnity insurance; and
- (c) that the applicant will keep clients' money separate from his own money and maintain separate client accounts; and
- (d) that the applicant will comply generally, and will take all reasonable measures to ensure that his authorised insurance representatives comply, with this Law, with all applicable guidance notes and codes of conduct issued under this Law, and with any conditions subject to which the Commission may grant the application; and
- (e) that the applicant either:
 - (i) will maintain a permanent establishment in Guernsey, where any document addressed to him may validly be served; or
 - (ii) has appointed a person approved by the Commission who has and is obliged to retain such an address, and also, if the applicant is a Guernsey body or an individual ordinarily resident in Guernsey, full power to act generally on behalf of the applicant in relation to his business as an insurance intermediary;

and if in any of the above respects the Commission is not satisfied then it may, subject to section 51, refuse to grant the application.

(6) The Commission may grant to a person who does not normally carry on business in or from within Guernsey a temporary registration as an insurance intermediary, and may in such a case waive the requirement to be satisfied as mentioned in paragraph (e) of subsection (5).

(7) The Commission may by rules made under this subsection exempt from the requirement to be registered under this section, either generally or in respect of such activities and/or subject to such conditions as are specified by or under the rules -

- (a) a person whose business as an insurance intermediary is incidental to some other business and confined to the insurance of goods or services sold by that person;
- (b) the sale of a policy of insurance as part of a contract to provide goods or services;
- (c) such other activities as may from time to time be specified in rules made by the Commission under this subsection.

(8) Rules under subsection (7) must be made by an instrument in writing, and must be made available to the public in such manner and on such terms as to payment or otherwise as the Commission considers appropriate; and notice of their having been made must be published in *La Gazette Officielle*.

Representatives to be authorised

49C(1) It is the duty

- (a) of every registered insurance intermediary, and
- (b) of any registered insurer acting as an insurance intermediary in relation to the general public in Guernsey, and
- (c) of every authorised insurance manager who deals with the general public in Guernsey,

to authorise one or more insurance representatives to act on his behalf in accordance with this section:

PROVIDED THAT an individual who is a registered insurance intermediary, or an authorised insurance manager falling within paragraph (c), is deemed to be an authorised insurance representative of that intermediary or insurance manager for the purposes of this Law without having to authorise himself in that behalf.

(2) The effect of an authorisation issued in accordance with this section is that, for so long as it remains in force, and thereafter in relation to events occurring whilst it remained in force, the actions and conduct as an insurance representative of the person to whom it is issued when acting or purporting to act under it are deemed for the purposes of this Law (notwithstanding that the person issuing the authorisation may be a body corporate incapable in fact of such actions and conduct) to be the actions and conduct of the person issuing it; and that person is accordingly obliged to take responsibility under this Law for all such actions and conduct.

(3) An authorisation in accordance with this section -

- (a) must be in writing and must state:

- (i) the name of the authorised representative;
 - (ii) the name of its issuer;
 - (iii) whether the authorisation covers domestic business;
 - (iv) whether the authorisation is for general business, long term business, or both;
 - (v) whether the authorisation is restricted to stated classes of general business and/or long term business;
- (b) must state that its issuer is responsible for the actions and conduct of the authorised insurance representative concerned when acting or purporting to act under it;
 - (c) must be notified to the Commission in such manner as the Commission may from time to time require;
 - (d) may be issued to an insurance representative to act on behalf of its issuer either under a contract of employment or under a contract of agency;
 - (e) may be revoked in writing by its issuer at any time, provided that its revocation shall not affect the continuing responsibility of its issuer as set out in subsection (2) of this section, and shall not be of any effect for the purposes of this Law unless and until -

- (i) the revocation is notified to the Commission in such manner as the Commission may from time to time require, and
- (ii) its issuer has taken all such reasonable measures as the Commission may specify to bring the revocation to the attention of people likely to be affected, and to recover the original and all copies of the authorisation and of any other document which might reasonably be understood to imply that the person concerned is authorised to act as an insurance representative on behalf of its issuer.

(4) It is the duty of registered insurance intermediaries, of registered insurers falling within paragraph (1)(b), and of authorised insurance managers falling within paragraph (1)(c) (and is not the duty of the Commission) to be satisfied:

- (a) before issuing an authorisation in accordance with this section that the person thereby authorised is a fit and proper person to be so authorised, and
- (b) at all times whilst such an authorisation is in force, that the person authorised by it remains a fit and proper person to remain so authorised.

and in discharging those duties registered insurance intermediaries, registered insurers falling within paragraph (1)(b), and authorised insurance managers falling

within paragraph (1)(c), must have particular regard to any guidance notes and codes of conduct for the time being in force.

Advice etc. only through authorised representatives

49D(1) An individual must not, by way of business or in the course of employment, advise clients or arrange contracts of insurance unless that individual is an insurance representative for whose actions and conduct, in the course of his business or employment as such, a registered insurance intermediary, registered insurer or authorised insurance manager is obliged to take responsibility under this Law (an "authorised insurance representative").

(2) Subsection (1) does not apply in the case of an individual who is, or is employed by:

- (a) an authorised industrial and commercial insurance consultant, and is acting in the course of that consultant's business as such; or
- (b) a registered insurer or an authorised insurance manager, and is not dealing with the general public in Guernsey; or
- (c) a person whose business as an insurance intermediary is exempt from the requirement to be registered under section 49B by virtue of any rules made under section 49B(7).

(3) An insurance intermediary, insurer or authorised insurance manager must not advise clients, or arrange or enter into contracts of insurance, otherwise than through an authorised insurance representative.

(4) An insurance intermediary, insurer or authorised insurance manager does not contravene subsection (3) merely by

- (a) arranging or entering into a contract of insurance through a person outside Guernsey who is not acting under a contract of agency or employment with that intermediary, insurer or manager; or
- (b) in the case of a registered insurer or authorised insurance manager, entering into a contract of insurance with a person who is not a member of the general public in Guernsey; or
- (c) issuing an insurance advertisement.

(5) A person must not -

- (a) profess to be an authorised insurance representative, or
- (b) use a description which might reasonably be understood to imply that that person is an authorised insurance representative,

unless that person is in fact an authorised insurance representative in the circumstances in which he professes to be such or uses that description.

Insurance only to be placed with recognised insurers

49E(1) An insurance intermediary, an authorised insurance manager, or an authorised industrial and commercial insurance consultant, must not arrange or attempt to arrange a contract of insurance between a client who is a member of the

general public (in Guernsey or elsewhere) and any person other than a recognised insurer.

(2) The following are recognised insurers:

- (a) any body which is registered as an insurer under this Law in respect of the description of insurance business concerned;
- (b) any body which is entitled to carry on the description of insurance business concerned in or from within Guernsey without being registered as an insurer under this Law by virtue of section 8;
- (c) any other insurer for the time being included (specifically or by description) in a list of recognised insurers maintained and published by the Commission.

Guidance notes and codes of conduct

49F(1) The Commission may from time to time issue -

- (a) guidance notes applicable to registered insurance intermediaries, and to registered insurers and authorised insurance managers when acting as insurance intermediaries;
- (b) codes of conduct applicable to authorised insurance representatives;

and may from time to time vary, or revoke, any such guidance notes or codes of conduct.

(2) Guidance notes and codes under this Part of this Law must be made by an instrument in writing, and must be made available to the public in such manner and on such terms as to payment or otherwise as the Commission considers appropriate; and notice of their having been made must be published in *La Gazette Officielle*.

(3) Guidance notes may make provision as to the registration, resources and duties of registered insurance intermediaries, as to their dealings and relationship with insurers, other insurance intermediaries, their authorised insurance representatives, clients, and the Commission, and generally as to the conduct of their business; and may, without prejudice to the foregoing, impose on registered insurance intermediaries obligations to ensure compliance by their authorised insurance representatives with codes of conduct.

(4) Codes of conduct may address any aspect of dealings between insurance representatives (on the one hand), and clients, insurance intermediaries and insurers (on the other hand).

(5) Except where the context otherwise requires, references in this section, and also references in all guidance notes and codes issued under this Part of this Law, to "registered insurance intermediaries" extend also to registered insurers and authorised insurance managers when acting as insurance intermediaries.

Powers of the Commission in cases of breach

49G(1) If, after investigation, it appears to the Commission that a registered insurance intermediary has breached a condition of his or its registration, or is contravening, has contravened, or is likely to contravene, a provision of any guidance note (including a provision requiring that person to ensure that his or its authorised insurance representatives comply with any code), the Commission may exercise -

- (a) its powers under section 49H to impose and enforce directions, prohibitions, and additional conditions on registrations;
- (b) its powers under section 49I to suspend or revoke the registration of an insurance intermediary;
- (c) its powers under section 49J(1) to apply to the Court for the winding up of a registered insurance intermediary which is a Guernsey company.

(2) The powers referred to in subsection (1) are not cumulative, and any or all of them may be exercised contemporaneously, and notwithstanding that criminal proceedings have been or may be instituted in respect of any of the matters in relation to which they are exercised.

Prohibitions, directions and conditions

49H The Commission may, if it considers it necessary or desirable to do so in order to reduce the possibility of a breach or further breach of any condition applicable to a registered intermediary, by notice in writing served on that intermediary -

- (a) prohibit him from carrying on any or any specified description of business as an insurance intermediary in any or in any specified circumstances;
- (b) give directions as to the manner in which he is to carry on any or any specified business as an insurance intermediary;

- (c) impose additional conditions on his continued registration.

Suspension and revocation of registration

49I(1) The Commission may, by notice in writing served on a registered insurance intermediary, suspend or revoke his registration if he -

- (a) has refused or failed to comply with a prohibition, direction or additional condition imposed under section 49H(1);
- (b) has, in the opinion of the Commission, contravened or failed to comply with registration conditions or guidance notes persistently, or wilfully, or in any other circumstances leading the Commission to conclude that he is not a fit and proper person to continue to be registered as an insurance intermediary;

or upon accepting a request made by an intermediary wishing to surrender his registration.

(2) The Commission's powers under sections 35 and 49J may continue to be exercised, notwithstanding any suspension or revocation under this section, or cancellation under section 16.

(3) A suspension under this section has effect as a temporary revocation whilst it remains in force.

Winding up of Guernsey companies

49J(1) The Commission may apply for the winding up, in accordance with the Companies (Guernsey) Law, 1994^c of any registered insurance intermediary which is a Guernsey company on the ground that it has persistently, wilfully or seriously contravened or failed to comply with an obligation to which it is or was subject under this Law and/or under the conditions of its registration.

(2) Subsection (1) of this section is in addition to and not in derogation from the provisions of the Companies (Guernsey) Law, 1994 and any other provision of law relating to winding-up."

Amendments consequential to sections 1 and 2

3. The 1986 Law is further amended in consequence of the amendments effected by sections 1 and 2 as follows:

(a) in section 51 (Representations concerning decisions of Commission) -

(i) in paragraphs (2)(f) and (2)(g), immediately after "as an insurance manager", wherever appearing, insert "or as an industrial and commercial insurance consultant";

(ii) immediately after paragraph (2)(g) insert:

"(h) under section 49B(5) or 49B(4)(b), to refuse to grant an application for registration as an insurance intermediary, or to grant

^c Orders in Council No. XXXIII of 1994.

such an application subject to additional conditions;

(i) under section 49HG, to impose any direction, prohibition, additional condition or order on a registered intermediary;

(j) under section 49I, to suspend or revoke the registration of a registered insurance intermediary.";

(iii) in subsection (5), for "under section 13 or section 16" substitute "under section 13, 16, 49H or 49I";

(b) in section 52 (Appeals against decisions of Commission):

(i) in paragraphs (1)(b) and 1(f), immediately after "as an insurance manager", wherever appearing, insert "or as an industrial and commercial insurance consultant";

(ii) immediately after paragraph (1)(f) insert:

" or

(g) refusing, or imposing additional conditions on, registration as an insurance intermediary; or

- (h) suspending or revoking the registration of a registered insurance intermediary; or
 - (i) imposing a direction, prohibition or additional condition on a registered intermediary under section 49H,";
- (c) in section 53 (Advertisements relative to unregistered insurers):
 - (i) for "neither registered nor exempted under Part I" substitute "not a recognised insurer"; and
 - (ii) in the marginal note, for "unregistered" substitute "non-recognised";
- (d) in section 56 (Power of Commission to require information and production of documents)
 - (i) immediately after "insurer", wherever appearing, insert "or insurance intermediary",
 - (ii) immediately after "insurance manager", wherever appearing, insert "or industrial and commercial insurance consultant",
 - (iii) immediately after "insurers", wherever appearing, insert "or insurance intermediaries", and

- (iv) immediately after "insurance managers", wherever appearing, insert "or industrial and commercial insurance consultants";
- (e) in section 59 (Offences) -
 - (i) immediately after subsection (3) insert:

"(3A) A person who contravenes section 49B(1), section 49D or section 49E(1) is guilty of an offence.";
 - (ii) in paragraph (b) of subsection (4), immediately after "as an insurance manager" insert "or as an industrial and commercial insurance consultant";
 - (iii) immediately after paragraph (b) of subsection (4) insert:

"(bA) for the purpose of obtaining registration as an insurance intermediary under Part IVA; or";
- (f) in section 63A (Fees)^d -

^d Section 63A was inserted by the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 (Ordres en Conseil Vol. XXX, p.243).

- (i) in paragraph (2)(b), immediately after "insurance manager" insert ", or as an industrial and commercial insurance consultant,";
- (ii) immediately after paragraph (2)(b) insert:

"(bA) an application for registration as an insurance intermediary under Part IVA;"
- (iii) in paragraph (2)(d), for "or 48(1)(a)" substitute ", 48(1)(a) or 49C(3)(c)";
- (g) in section 68 (Application of Law and interpretation as respects Alderney)
 - (i) immediately after paragraph (5)(c) insert:

"(d) for the references to the Companies (Guernsey) Law, 1994 in section 49J, substitute references to the Companies (Alderney) Law, 1994^e.";
 - (ii) in subsection (5), immediately after "insurance manager" insert ", or of an industrial and commercial insurance consultant,";
- (h) in Schedule 5 (Glossary of expressions);

^e Orders in Council No. XXXIV of 1994.

- (i) insert the following entries into columns (1) and (2)
in the appropriate places in the alphabetical order:

(1)	(2)
"accounts".	see section 49A(3).
"action".	see section 49A(3).
"advice".	see section 49A(3).
"authorised [insurance] representative".	see section 49A(3).
"client".	see section 49A(3).
"code".	see section 49A(3).
"general public".	see section 49A(3).
"guidance note".	see section 49A(3)
"industrial and commercial insurance consultant".	see section 49A(3).
"insurance intermediary".	see section 49A(1).
"insurance representative".	see section 49A(2).
"large client".	see section 49A(3).

"recognised insurer".

see section 49E(2).

"registered [insurance]
intermediary".

see section 49A(3).";

- (ii) in column (2) of the entry for "registered" and "registration", immediately after "section 11" insert "or section 49B, as the case requires";
- (iii) in column (2) of the entry for "registered insurer" insert at the end of the words "; but in Part IVA see also section 49A(3)".

Exempt insurers

4.(1) Paragraphs (c) and (e) of section 8(1) of the 1986 Law are repealed.

(2) The 1986 Law is further amended, in consequence of subsection (1), as follows:

- (a) in section 17 (List of registered insurers), paragraph (b) of subsection (1), paragraph (f) of subsection (2) and paragraph (b) of subsection (8) are repealed;
- (b) immediately after section 31 there is inserted:

**"Friendly societies and Insurers authorised in the
European Economic Area**

31A. (1) This Part of this Law applies subject to the adaptations set out in subsection (2) of this section in relation to -

(a) a friendly society registered under an enactment relating to friendly societies and recognised by the Commission as being such a society; or

(b) a person other than a Guernsey body if

(i) the law of a State within the European Economic Area recognises that person as a national of that or another such State; and

(ii) the only insurance business which that person carries on in Guernsey is business of a description which that person is authorised to carry on in a State within the European Economic Area and which would be lawfully carried on if it were carried on in that State.

(2) The adaptations referred to in subsection (1) of this section are as follows:

(a) a general representative within section 19(a) must be ordinarily resident in Guernsey, and approved by the Commission under section 19(a)(ii), but need not be an

executive director or employee of the insurer; and

(b) sections 20, 21, and 24 to 31 inclusive, do not apply.

(3) This section is without prejudice to sections 13 and 56, and is not to be construed as restricting the Commission's powers under those sections.";

(c) in section 63A(2)(d) (Fees) delete "8(1)(e)(iii),".

Citation

5. This Law may be cited as the Insurance Business (Amendment) (Guernsey and Alderney) Law, 1998.

Collective title

6. This Law and the Insurance Business (Guernsey and Alderney) Laws, 1986 and 1996 may be cited together as the Insurance Business (Guernsey and Alderney) Laws, 1986 to 1997.

Commencement

7. The Law shall come into force on a date or dates to be appointed by Ordinance of the States of Guernsey; and any such Ordinance may:

- (a) appoint different dates for different provisions of this Law and for different purposes;
- (b) contain savings and transitional provisions.