

**DRAFT JERSEY MUTUAL INSURANCE SOCIETY,
INCORPORATED (ALTERATION OF RULES) (No. 5)
(JERSEY) LAW 199**

**Lodged au Greffe on 17th March 1998
by the Legislation Committee**



STATES OF JERSEY

STATES GREFFE

Report

This draft Law seeks to increase the limits of the risk that the Jersey Mutual Insurance Society, Incorporated may incur without being required to effect reinsurance. The intention is to avoid the Society being placed in a situation (which would affect 85 per cent of the members) where it would be unable to continue insuring any first class risks above £50,000 or second class risks above £25,000 (being the present limits) if it could not obtain the required reinsurance in accordance with the Rules. Therefore in Rules 1 and 9 the prescribed limit has been increased from £50,000 to £250,000 for first class risks and from £25,000 to £125,000 for second class risks. First class risks relate to non-hazardous risks; second class risks relate to hazardous risks.

Rule 7 has been replaced in order to bring it into line with the Banking Business (Jersey) Law 1991, as amended.

Rule 27 has been expanded to allow the Society wider scope in respect of the selection and area of investments that the Society is allowed to take up.

Explanatory Note

The purpose of this Law is to -

- (a) increase the limits of individual risk which may be accepted by the Society without effecting reinsurance (*Article 1(a) and (c)*);
- (b) re-enact, with minor modifications, a paragraph of the Rules dealing with the Society's bank accounts in the Island (*Article 1(b)*);
- (c) increase the limit whereby claims need be examined by only two Directors, instead of the whole Board (*Article 1(d)*);
- (d) increase the minimum premium which may be paid on a policy (*Article 1(e)*);
- (e) require a company in which it is proposed to invest any of the capital of the Society to have a paid-up capital of not less than £25,000,000 (*Article 1(f)*);
- (f) authorize the investment of the capital of the Society in real property in the Island (*Article 1(g)*).

**JERSEY MUTUAL INSURANCE SOCIETY, INCORPORATED
(ALTERATION OF RULES) (No. 5) (JERSEY) LAW 199**

A LAW to vary the fundamental rules of the Jersey Mutual Insurance Society, Incorporated, sanctioned by Order of Her Majesty in Council of the

(Registered on the day of 199)

STATES OF JERSEY

The day of 199

WHEREAS the Jersey Mutual Fire Insurance Society was incorporated by Act of the States of Jersey passed on the 13th day of February 1908, and sanctioned by Order of the 9th day of April 1908, of Their Lordships the Lord Chancellor and the Lord President in Council, acting for and on behalf of His Majesty and being authorized thereto by writing under His Majesty's Sign Manual;

WHEREAS by the said Act of 1908 legal effect was given to the Fundamental Rules of the Society;

WHEREAS by the Jersey Mutual Fire Insurance Society, Incorporated, (Alteration of Name and Rules) Law 1952,¹ the name of the Society was changed to the Jersey Mutual Insurance Society and legal effect was given to revised Fundamental Rules of the Society;

¹ Tome VIII, page 97.

WHEREAS by the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (Jersey) Law 1976² (hereinafter referred to as “the 1976 Law”) legal effect was given to revised Fundamental Rules of the Society;

WHEREAS by each of the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 2) (Jersey) Law 1978 and the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 3) (Jersey) Law 1980 and the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 4) (Jersey) Law 1984³ legal effect was given to alterations to the revised Fundamental Rules of the Society;

WHEREAS the States have taken into consideration a Petition addressed to them by the Society praying that legal effect be given to further alterations to the Fundamental Rules of the Society;

AND WHEREAS it is deemed proper that the prayer of the said Petition should be granted;

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

ARTICLE 1

In the Schedule to the 1976 Law -

- (a) in the second paragraph of Rule 1 for the words “fifty thousand pounds” and “twenty-five thousand pounds” respectively there shall be substituted the words “two hundred and fifty thousand pounds” and “one hundred and twenty-five thousand pounds” respectively;
- (b) for the first paragraph of Rule 7 there shall be substituted the following paragraph -

² Tome VIII, page 97.

³ Tome VIII, page 97, Volume 1979-1981, page 275, and Volume 1984-1985, page 95.

- “7. Accounts may be opened at the discretion of the Board of Administration with any one or more banks in Jersey (being registered under the Banking Business (Jersey) Law 1991, as amended, or exempted from such registration) in the name of the Society, and the Secretary shall pay into the said bank or banks to the credit of the Society all monies received by him and shall obtain cheques on the bank or banks from the Directors for all his disbursements.”;
- (c) in the second paragraph of Rule 9 for the words “fifty thousand pounds” and “twenty-five thousand pounds” respectively there shall be substituted the words “two hundred and fifty thousand pounds” and “one hundred and twenty-five thousand pounds” respectively;
- (d) in the third paragraph of Rule 12 for the words “two thousand pounds” there shall be substituted the words “three thousand pounds”;
- (e) in the first paragraph of Rule 15 for the words “five pounds” there shall be substituted the words “thirty pounds”;
- (f) in paragraph 3 of Rule 27 -
- (i) for the words “one million pounds”, in both places where they occur, there shall be substituted the words “twenty-five million pounds”;
- (ii) the words “and has paid dividends on all its issued capital in each one of the five years immediately preceding the acquisition of such stocks and shares” shall be deleted;
- (g) at the end of Rule 27 there shall be inserted the following paragraph -

“5. Directly or through a holding company in any real property situate in the Island of Jersey.”.

ARTICLE 2

The Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 3) (Jersey) Law 1980⁴ and the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 4) (Jersey) Law 1984⁵ are repealed.

ARTICLE 3

This Law may be cited as the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 5) (Jersey) Law 199 .

⁴ Volume 1979-1981, page 275.

⁵ Volume 1984-1985, page 95.