

# STATES OF JERSEY

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## **DRAFT FINANCIAL SERVICES (AMENDMENT No. 2) (JERSEY) LAW 200**

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**Lodged au Greffe on 8th June 2004  
by the Economic Development Committee**

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**STATES GREFFE**





Jersey

**DRAFT FINANCIAL SERVICES (AMENDMENT No. 2)  
(JERSEY) LAW 200**

**European Convention on Human Rights**

The President of the Economic Development Committee has made the following statement –

In the view of the Economic Development Committee the provisions of the Draft Financial Services (Amendment No. 2) (Jersey) Law 200 are compatible with the Convention Rights.

(Signed) **Deputy F.G. Voisin of St. Lawrence**

# REPORT

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## Introduction

The purpose of the Financial Services (Amendment No. 2) (Jersey) Law 2005 is to bring general insurance broking into regulation for the first time in Jersey. This is in order for insurance mediation in the Island to be consistent with the provisions of the European Union Insurance Mediation Directive that comes into force in the U.K. in January 2005.

## Background

The European Union has introduced the Insurance Mediation Directive, which requires persons who carry on general insurance broking to be regulated and supervised by an approved regulatory authority. The Financial Services Authority ("FSA") in the United Kingdom intends to implement this provision with effect from January 2005. The result will be that Jersey brokers may be denied access to the U.K. insurance market because they will not be authorised by, or exempt from, this regulation.

Previously, general insurance was subject to a self-regulatory regime under the auspices of the General Insurance Standards Council ("GISC"). Access to the U.K. market, and particularly Lloyds of London, depended to a great extent upon membership of this body. The responsibilities of the GISC are being phased out as regulation and supervision transfers to the FSA.

Most Jersey-based general insurance brokers are members of the GISC, and discussions that have already taken place with representatives of the industry have shown that brokers in the Island recognise the need for regulation if their ability to access U.K. markets is not to be curtailed.

From January 2005 overseas brokers who wish to have access to the U.K. market may do so by one of three methods –

- Registration with the FSA; or
- Entering into an agency agreement with an authorised U.K. insurer, tying the broker to the products of that insurer, so that the insurer takes responsibility for the broker's activities; or
- Being authorised and regulated by an acceptable jurisdiction elsewhere (the overseas persons' exemption).

It is clear from discussions with the industry that the overseas exemption is the preferred route for most brokers. This does not preclude brokers adopting one of the other methods if they so wish.

## The provisions of the Law

The Articles in the amendment Law are for the following purposes –

Article 2 adds definitions of general insurance and policyholder, and amends the existing definitions of client and client asset so that they can also apply to general insurance business.

Article 3 adds general insurance business to the meaning of financial service business and defines the carrying on of general insurance mediation.

Article 4 provides for the exemption of certain persons and activities from the provisions for general insurance business. The exemptions are specifically described in a new Part 3 to the Second Schedule of the existing Law and are explained in paragraph 5.2 below.

Paragraph 3A introduces a lighter regulatory regime by registration only for persons other than professional brokers who provide general insurance as a service that is incidental to their main business. Examples are retailers who offer extended warranty insurance on goods sold, travel agents who provide travel insurance, and pet shops and vets who may offer insurance for animals. It is intended that such persons be required to register with the Commission the fact that they carry on this business, but such registration will be the full extent of their regulatory obligations. However, in the interests of consumer protection, the Commission is proposing to retain the powers of investigation and sanction that may be applied should problems arise or complaints be received. This proposal is similar to that being introduced in the U.K. under the E.U. Insurance Mediation Directive, and is also in line with the arrangements currently in place in Guernsey and the Isle of Man. It will enable the Commission to have information about the providers of such subsidiary services in the Island without subjecting

them to a full regulatory regime and to the additional cost that this entails.

Article 5 extends the existing facility to amend by Order or Regulation Schedules 1 and 2 of the existing Law to enable all the Schedules to be amended in the same way. This will facilitate making any changes to transitional provisions and to the classes of insurance business that may emerge in the future.

Articles 6 and 9 – 18 add general insurance mediation business to provisions that are already applicable to investment and trust company business.

Articles 7 and 8 correct an omission in the existing Law. It was recently identified that there are no provisions in the Law to revoke an individual condition that has been applied to a specific person registered under the Law.

Article 19 provides for the transitional arrangements necessary once the amendment Law comes into force. These are defined in a new Schedule 5.

The amendment Law, Article 20, adds a new Part 3 to the Second Schedule of the existing Law.

Paragraph 1 extends to general insurance business the existing provisions relating to newspapers, broadcasting and information services.

Paragraph 2 exempts accountants and lawyers who provide general insurance advice as a service that is incidental to their professional practice, on the grounds that they are already subject to a self-regulatory regime. This provision is identical to the existing exemptions under investment business.

Article 21 of the amendment Law inserts a new Fourth Schedule to the existing Law that lists the classes of general insurance business. This is to enable enquiries to be resolved within this Law, without having to refer to separate legislation (the Insurance Business (Jersey) Law 1996).

### **Conclusion**

The Financial Services (Amendment No. 2) (Jersey) Law 200 brings general insurance mediation within the scope of regulatory legislation for the first time. The draft Law has no implications for the financial or manpower resources of the States of Jersey.

### **European Convention on Human Rights**

Article 16 of the Human Rights (Jersey) Law 2000 will, when brought into force by Act of the States, require the Committee in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). Although the Human Rights (Jersey) Law 2000 is not yet in force, on 1st June 2004 the Economic Development Committee made the following statement before Second Reading of this projet in the States Assembly –

In the view of the Economic Development Committee the provisions of the Draft Financial Services (Amendment No. 2) (Jersey) Law 200 are compatible with the Convention Rights.

## Explanatory Note

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*Article 1* identifies the Financial Services (Jersey) Law 1998 as the Law that is being amended.

*Article 2* amends the interpretation provision of the Law by inserting, and substituting, various definitions, as required for the purposes of introducing “general insurance mediation business” into the principal Law.

*Article 3* amends Article 2 of the Law for the purposes of the definition of “general insurance mediation business” inserted in Article 1 of the Law and to include that business within the meaning of “financial service business”.

*Article 4* amends the existing Article 3 of the Law by replacing references to specific classes of financial service business with the general phrase “financial service business”. This enables the Second Schedule to exempt a class of “general insurance mediation business”, as well as any existing or future class of financial service business, from the meaning of “financial service business”. The Law will then not apply to the exempted class of business. Article 4 also inserts into the Law a new Article 3A, which excludes from the operation of particular provisions of the Law “ancillary” insurance businesses. Article 4 also permits the Committee to amend Article 3A.

*Article 5* amends Article 4 of the principal Law to enable the Committee to amend any Schedule in the Law, not just Schedule 1 or 2 as is currently the case. This is to enable the Committee to amend the new Schedule 4 (classes of insurance business excluded from the operation of the Law) as well as other existing or future Schedules that may exclude classes of business from the operation of the Law.

The amendment will also allow the Committee to amend Schedule 5, which is being inserted into the Law by this Law. (Schedule 5 contains transitional provisions relating to general insurance business.) The amendment in Article 5 of this Law will also allow the Committee to amend Schedule 5 by inserting transitional provisions (which the Committee already has power to make in Orders) into the Law itself and by amending provisions placed into that Schedule (unless they have been placed there by Regulations made by the States under Article 4 of the principal Law). The Article also gives to the States a similar power to insert into that Schedule the transitional provisions relating to Regulations which the States may make under Article 4 and to amend such provisions.

The ability to place transitional provisions in the Law is desirable for the purposes of the Law Revision Project.

*Article 6* amends Article 8 of the principal Law to change references to specific classes of financial service business to the more general “financial service business”. This change enables the Article both to apply to general insurance mediation business and to any future financial service businesses that may be added to the Law by Orders made by the Committee.

*Article 7* amends Article 9 of the principal Law to enable it to apply not only to “variations” of conditions but also to “amendments, variations, substitutions or revocations” of conditions.

*Article 8* makes amendments for the same reason as those made under Article 7. It also enables Article 10(4) of the Law to apply to general insurance mediation business and to future classes of financial service businesses that may be specified in the Law.

*Articles 9 - 14* amend various Articles of the Law to apply to general insurance mediation business as well as future classes of financial service businesses that may be specified in the Law.

*Article 15* amends Article 27 of the Law so it will apply in relation to general insurance contracts as well as investments.

*Articles 16 and 17* amend Articles 28 and 30 of the Law to enable them to apply to general insurance mediation business as well as future classes of financial service businesses that may be specified in the Law.

*Article 18* amends Article 35(1)(i) of the Law so that it will apply to insurance policy holders or beneficiaries of insurance policies. It also amends Article 35(1)(j)(i) so that it will apply to general insurance mediation business as well as future classes of financial service businesses that may be specified in the Law.

*Articles 19 - 21* place Schedules in the Law.

*Schedule 1* inserts a Part 3 into existing Schedule 2. Part 3 states the classes of general insurance business that will not be covered by the Law.

*Schedule 2* inserts new Schedules 4 and 5 into the Law. Schedule 4 sets out the classes of insurance that are

within the meaning of “general insurance business” (as distinct from other classes of insurance, which are already within the meaning of “investment”). Schedule 5 sets out transitional provisions that are to apply to operators of general insurance mediation businesses for the first 3 months after the amending Law comes into force.

*Article 22* specifies the name of the amending Law and that it will come into force 7 days after it is registered.







Jersey

# DRAFT FINANCIAL SERVICES (AMENDMENT No. 2) (JERSEY) LAW 200

## Arrangement

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### Article

<u>1</u>	<u>Interpretation</u>
<u>2</u>	<u>Article 1 amended</u>
<u>3</u>	<u>Article 2 amended</u>
<u>4</u>	<u>Article 3 substituted</u>
<u>5</u>	<u>Article 4 amended</u>
<u>6</u>	<u>Article 8 amended</u>
<u>7</u>	<u>Article 9 amended</u>
<u>8</u>	<u>Article 10 amended</u>
<u>9</u>	<u>Article 11 amended</u>
<u>10</u>	<u>Article 19 amended</u>
<u>11</u>	<u>Article 20 amended</u>
<u>12</u>	<u>Article 23 amended</u>
<u>13</u>	<u>Article 24 amended</u>
<u>14</u>	<u>Article 26 amended</u>
<u>15</u>	<u>Article 27 amended</u>
<u>16</u>	<u>Article 28 amended</u>
<u>17</u>	<u>Article 30 amended</u>
<u>18</u>	<u>Article 35 amended</u>
<u>19</u>	<u>New Article inserted</u>
<u>20</u>	<u>Second Schedule amended</u>
<u>21</u>	<u>New Schedules added</u>
<u>22</u>	<u>Citation and commencement</u>

### SCHEDULE 1

### SCHEDULE 2

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Jersey

## DRAFT FINANCIAL SERVICES (AMENDMENT No. 2) (JERSEY) LAW 200

A LAW to further amend the Financial Services (Jersey) Law 1998.<sup>[1]</sup>

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*Adopted by the States* [date to be inserted]

*Sanctioned by Order of Her Majesty in Council* [date to be inserted]

*Registered by the Royal Court* [date to be inserted]

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

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### 1 Interpretation

In this Law, the “principal Law” means the Financial Services (Jersey) Law 1998<sup>[2]</sup>

### 2 Article 1 amended

In Article 1(1) of the principal Law<sup>[3]</sup> –

(a) for the definitions “client” and “client asset” there shall be substituted the following definitions –

“ ‘client’, in relation to a registered person, means a person, whether resident on or off the Island, with or for whom the registered person transacts or has transacted financial service business (other than trust company business) or gives or has given advice about financial service business (other than trust company business);

‘client asset’ means property belonging to a client and includes money, investments and insurance policies;”;

(b) there shall be inserted after the definition “financial service business” the following definitions –

“ ‘general insurance’ means, subject to any Order under Article 4, a type of insurance that falls within a paragraph specified in Schedule 4 and that is not excepted by virtue of a further provision contained in that paragraph;

‘general insurance advice’ means advice about a client’s general insurance requirements, including the merits of buying, selling, lapsing, switching, cancelling, altering or converting a policy of general insurance;

‘general insurance mediation business’ has, subject to any Order under Article 4, the meaning given to that expression by Article 2;”;

(c) there shall be inserted after the definition “partnership” the following definition –

“ ‘policy holder’ means a person who is the holder of, or may receive a benefit under, a

policy securing a contract of insurance;”.

### 3 Article 2 amended

In Article 2 of the principal Law<sup>[4]</sup> –

(a) for paragraph (1) there shall be substituted the following paragraph–

“(1) A person carries on financial service business if by way of business the person carries on investment business, trust company business or general insurance mediation business.”;

(b) at the end of the Article there shall be added the following paragraphs –

“(7) A person carries on general insurance mediation business if the person, whether as a principal or an agent, does any of the following –

- (a) promotes himself or herself or another person as able to give general insurance advice or as able to arrange for persons to enter into contracts of general insurance;
- (b) gives general insurance advice to a person in relation to particular contracts of general insurance;
- (c) arranges for the entry of persons into contracts of general insurance with other persons;
- (d) assists in the administration and performance of contracts of general insurance;
- (e) agrees to perform an activity referred to in sub-paragraph (a), (b), (c) or (d).

(8) In paragraph (7), ‘agent’ means an agent of an insurance company, an agent of a policy holder or an agent of a prospective policy holder.”.

### 4 Article 3 substituted

For Article 3 of the principal Law<sup>[5]</sup> there shall be substituted the following Articles –

#### **“3 Exclusion from class of financial service business**

An activity described in the Second Schedule that is within a class of financial service business specified in the Schedule shall not be treated as within the class of financial service business for the purposes of this Law to the extent specified in relation to the activity in the Schedule.

#### **3A Certain general insurance mediation business excluded from application of certain provisions of this Law**

- (1) Articles 11 to 17 (inclusive) shall not apply to, or in relation to, incidental general insurance mediation business.
- (2) In paragraph (1), incidental general insurance mediation business means general insurance mediation business that is carried on by a person where the person carries or such business only –
  - (a) incidentally to some other business;
  - (b) in relation to goods or services sold by him or her; or
  - (c) by way of the sale of a policy of general insurance as part of a contract to provide goods and services.
- (3) The Committee may, on the recommendation of the Commission, by Order amend

paragraphs (1) or (2).”.

## 5 Article 4 amended

In Article 4 of the principal Law<sup>[6]</sup> –

(a) for paragraph (1)(b) there shall be substituted the following sub-paragraph –

“(b) subject to paragraph (5), the Schedules.”;

(b) at the end there shall be added the following paragraphs –

“(5) An Order made under this Article may amend Schedule 5 –

(a) by inserting into the Schedule transitional provisions made by the Order in accordance with paragraph (4); or

(b) by amending transitional provisions in the Schedule, other than provisions inserted by Regulations made under paragraph (6).

(6) Regulations made under this Article may amend Schedule 5 –

(a) by inserting into the Schedule transitional provisions made by the Regulations in accordance with paragraph (4); or

(b) by amending transitional provisions inserted into the Schedule by Regulations made under this paragraph.”.

## 6 Article 8 amended

For Article 8(3)(e) of the principal Law<sup>[7]</sup> there shall be substituted the following sub-paragraph –

“(e) it appears to the Commission, as a result of information provided in pursuance of requirements of or under Article 7, or information otherwise obtained, that–

(i) if the applicant intends to carry on financial service business (other than trust company business) – it is in the best interests of persons who may transact financial service business (other than trust company business) with the applicant that the applicant should not be registered,

(ii) if the applicant intends to carry on trust company business – it is in the best interests of –

(A) persons who may enter into agreements for the provision of services to be provided by the applicant when carrying on trust company business, or

(B) persons who may receive the benefit of services to be provided or arranged by the applicant when carrying on trust company business, that the applicant should not be registered,

(iii) in order to protect the reputation and integrity of the Island in financial and commercial matters, the applicant should not be registered, or

(iv) in the best economic interests of the Island, the applicant should not be registered; or”.

## 7 Article 9 amended

In Article 9 of the principal Law<sup>[8]</sup> –

(a) in paragraphs (1)(b) and (2) for the word “vary” there shall be substituted the words “amend, vary, substitute or revoke”;

- (b) in paragraph (3) for the word “varies” there shall be substituted the words “amends, varies, substitutes or revokes”.

## **8 Article 10 amended**

In Article 10 of the principal Law<sup>[9]</sup> –

- (a) in paragraph (1) –
  - (i) for the word “varies” there shall be substituted the words “amends, varies, substitutes or revokes”;
  - (ii) for the word “variation” (twice occurring) there shall be substituted the words “amendment, variation, substitution or revocation of a condition”;
- (b) in paragraph (2)(b) for the word “varies” there shall be substituted the words “amends, varies, substitutes or revokes”;
- (c) in paragraph (3) for the word “variation” there shall be substituted the words “amendment, variation, substitution or revocation”;
- (d) for paragraph (4)(a) there shall be substituted the following sub-paragraph –
  - “(a) in the best interests of persons with whom a registered person has transacted or may transact financial service business; or”.

## **9 Article 11 amended**

For Article 11(4)(a) of the principal Law<sup>[10]</sup> there shall be substituted the following sub-paragraph –

- “(a) in the best interests of persons with whom a registered person has transacted or may transact financial service business; or”.

## **10 Article 19 amended**

In Article 19(1) of the principal Law<sup>[11]</sup> for the words “investment business” there shall be substituted the words “financial service business (other than trust company business)”.

## **11 Article 20 amended**

In Article 20(1) of the principal Law<sup>[12]</sup> for sub-paragraph (b)(i) there shall be substituted the following clause –

- “(i) persons with whom a registered person may transact financial service business (other than trust company business) or of creditors of the registered person; or”.

## **12 Article 23 amended**

In Article 23 of the principal Law<sup>[13]</sup> –

- (a) for paragraph (1)(c) there shall be substituted the following sub-paragraph –
  - “(c) it is desirable –
    - (i) for the protection of persons with whom a registered person has transacted or may transact financial service business; or

- (ii) if the registered person is carrying on trust company business – for the protection of –
  - (A) persons who have entered into or may enter into agreements for the provision of services to be provided by the registered person when carrying on trust company business, or
  - (B) persons who have received or may receive the benefit of services to be provided or arranged by the registered person when carrying on trust company business,”;
- (b) for paragraph (3)(a) there shall be substituted the following subparagraph –
  - “(a) where the registered person carries on financial service business –
    - (i) belong to the registered person concerned; or
    - (ii) belong to persons with whom the registered person is transacting financial service business and that are held by or to the registered person’s order; or”.

### 13 Article 24 amended

In Article 24 of the principal Law<sup>[14]</sup> for the words “investment business, or to classes of such business,” there shall be substituted the words “financial service business (other than trust company business), or to classes of such business (other than trust company business),”.

### 14 Article 26 amended

In Article 26 of the principal Law<sup>[15]</sup> for the words “investment business” there shall be substituted the words “financial service business (other than trust company business)”.

### 15 Article 27 amended

In Article 27 of the principal Law<sup>[16]</sup> –

- (a) in paragraph (1)(ii) there shall be inserted after the word “investment” the words “or contract of general insurance”;
- (b) in paragraph (2) there shall be inserted after the word “investment” (twice occurring) and the word “investments” the words “or a contract of general insurance” and “or contracts of general insurance” respectively;
- (c) after paragraph (2) there shall be inserted the following paragraph –

“(2A) In paragraph (2), ‘contract of general insurance’ means a contract of general insurance, general insurance product or general insurance service.”.

### 16 Article 28 amended

In Article 28(5)(b) of the principal Law<sup>[17]</sup> for the words “investment business” there shall be substituted the words “financial service business”.

### 17 Article 30 amended

In Article 30 of the principal Law<sup>[18]</sup> for paragraph (1)(a) there shall be substituted the following subparagraph –

“(a) in the interests of persons with whom a registered person has transacted, or may transact, financial service business; or”.

**18 Article 35 amended**

In Article 35(1) of the principal Law<sup>[19]</sup> –

- (a) in sub-paragraph (i) after the word “investors” there shall be inserted the words “, or insurance policy holders,”;
- (b) in sub-paragraph (j)(i) for the words “investment business” there shall be substituted the words “financial service business”.

**19 New Article inserted**

After Article 39 of the principal Law<sup>[20]</sup> there shall be inserted the following Article –

**“40 Transitional provisions**

Schedule 5 shall have effect to make transitional provisions.”.

**20 Second Schedule amended**

In the Second Schedule to the principal Law<sup>[21]</sup> there shall be inserted after Part II the Part set out in Schedule 1 to this Law.

**21 New Schedules added**

After the Third Schedule to the principal Law<sup>[22]</sup> there shall be added the Schedules set out in Schedule 2 to this Law.

**22 Citation and commencement**

This Law may be cited as the Financial Services (Amendment No. 2) (Jersey) Law 200 and shall come into force on the seventh day following its registration.



## SCHEDULE 1

(Article 20)

### “PART 3: GENERAL INSURANCE MEDIATION BUSINESS

#### 19. Newspapers, broadcasting and information services

The giving of general insurance advice in any newspaper, journal, magazine, television broadcast, teletext service, sound broadcast or electronic information service, or in any other periodical publication, broadcast or electronic information service, if –

- (a) the principal purpose of the periodical publication, broadcast or service, taken as a whole and including any advertisements contained in it, is not to induce persons to buy, sell, subscribe for or underwrite a general insurance contract; or
- (b) the publisher, broadcaster, service provider or producer of the periodical publication, broadcast or service does not derive any direct benefit from any general insurance business resulting from the advice given in the publication, broadcast or service.

#### 20. Non-mainstream general insurance businesses

- (1) General insurance mediation business undertaken in the course of carrying on –

- (a) the practice of accountancy by a practising accountant; or
- (b) the profession of a lawyer by a practising lawyer.

- (2) For the purposes of this paragraph –

‘practising accountant’ means a person qualified under Article 113 of the Companies (Jersey) Law 1991<sup>[23]</sup> for appointment as auditor of a company under Article 109 of that Law;<sup>[24]</sup>

‘practising lawyer’ means –

- (a) an *écrivain* or advocate of the Royal Court; or
- (b) a person who is qualified to act as a solicitor under section 1 of the Solicitors Act 1974 of the United Kingdom, Article 4 of the Solicitors (Northern Ireland) Order 1976 or section 4 of the Solicitors (Scotland) Act 1980,

and who is, for the time being, practising as an *écrivain*, advocate or solicitor from or within the Island.”

## SCHEDULE 2

(Article 21)

### “SCHEDULE 4

(Article 1(1))

#### CLASSES OF GENERAL INSURANCE BUSINESS

<i>Number</i>	<i>Description</i>	<i>Nature of business</i>
1	Accident	<p>Effecting and/or 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;</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>including contracts relating to industrial injury and occupational disease but excluding contracts falling within paragraph 2 of this Schedule or within class IV in Part I (permanent health) of the Insurance Business (Jersey) Law 1996.<sup>[25]</sup></p>
2	Sickness	<p>Effecting and/or carrying out contracts of insurance providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of the two) against risks of loss to the persons insured attributable to sickness or infirmity, but excluding contracts falling within class IV in Part I of the Insurance Business (Jersey) Law 1996.<sup>[26]</sup></p>
3	Land vehicles	<p>Effecting and/or carrying out contracts of insurance against loss of or damage to vehicles used on land, including motor vehicles, but excluding railway rolling stock.</p>
4	Railway rolling stock	<p>Effecting and/or carrying out contracts of insurance against loss of or damage to railway rolling stock.</p>
5	Aircraft	<p>Effecting and/or carrying out contracts of insurance upon aircraft or upon the machinery, tackle, furniture or equipment of aircraft.</p>
6	Ships	<p>Effecting and/or 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.</p>
7	Goods in transit	<p>Effecting and/or 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.</p>

8	Fire and natural forces	Effecting and/or carrying out contracts of insurance against loss of or damage to property (other than property to which any of paragraphs 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/or carrying out contracts of insurance against loss of or damage to property (other than property to which any of paragraphs 3 to 7 relate) due to hail or frost or to any event (such as theft) other than an event mentioned in paragraph 8.
10	Motor vehicle liability	Effecting and/or carrying out contracts of insurance against damage arising out of or in connection with the use of motor vehicles on land, including third-party risks and carrier's liability.
11	Aircraft liability	Effecting and/or carrying out contracts of insurance against damage arising out of or in connection with the use of aircraft, including third-party risks and carrier's liability.
12	Liability for ships	Effecting and/or carrying out contracts of insurance against damage arising out of or in connection with the use of vessels on the sea or on inland water, including third-party risks and carrier's liability.
13	General liability	Effecting and/or carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties, other than risks to which one of paragraphs 10, 11 or 12 relates.
14	Credit	Effecting and/or carrying out contracts of insurance against risks of loss to the persons insured arising from their debtor's insolvency or from the failure (otherwise than through insolvency) of their debtors to pay the debtor's debts when due.
15	Suretyship	<p>Effecting and/or carrying out –</p> <p>(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;</p> <p>(b) contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee,</p> <p>if, in the case of contracts referred to in paragraph (b), the contracts are effected and carried out by a person not carrying on a banking business and the 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	Miscellaneous financial loss	<p>Effecting and/or carrying out contracts of insurance against any of the following risks –</p> <p>(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</p>

of business so carried on;

(b) risks of loss to the persons insured attributable to their incurring unforeseen expense (other than such loss covered by contracts within paragraph 18);

(c) risks neither falling within paragraph (a) or (b) nor being of a kind such that the carrying on of the business of effecting and carrying out contracts of insurance against them constitutes the carrying on of insurance business of some other class.

17            Legal expenses    Effecting and/or carrying out contracts of insurance against risks of loss to the persons insured attributable to their incurring legal expenses (including costs of litigation).

18            Assistance            Effecting and/or carrying out contracts of insurance providing either or both of the following benefits –

(a) assistance (whether in cash or kind) for persons who get into difficulties while travelling, while away from home or while away from their permanent residence; or

(b) assistance (whether in cash or kind) for persons who get into difficulties otherwise than as mentioned in paragraph (a).

## SCHEDULE 5

(Article 40)

### TRANSITIONAL PROVISIONS

#### 1. General insurance mediation business

Notwithstanding anything in this Law, a person who carried on general insurance mediation business at any time during the 3 months immediately before the day on which the Financial Services (Amendment No. 2) (Jersey) Law 200<sup>[27]</sup> comes into force ('the commencement day') shall not be taken to have committed any offence against this Law by virtue of any action that is taken, or not taken, by the person in the course of carrying on that business during the period –

- (a) on and from the commencement day until the day 3 months after the commencement day; or
- (b) if the person applies, before 3 months after the commencement day, for registration under this Law as a person entitled to carry on general insurance mediation business – on and from the commencement day until the day the application is finally determined (including as a result of an appeal to the Court under Article 10) or is withdrawn”.

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- [1] *Volume 1998, page 507, Volume 1999, pages 413, 420 and 527, Volume 2000, pages 705 and 716 to 745, Volume 2002, page 107 and R&Os 9402 and 127/2000.*
- [2] *Volume 1998, page 507, Volume 1999, pages 413, 420 and 527, Volume 2000, pages 705 and 716 to 745, Volume 2002, page 107 and R&Os 9402 and 127/2000.*
- [3] *Volume 1998, page 512 and Volume 2000, page 716.*
- [4] *Volume 1998, page 517 and Volume 2000, page 716.*
- [5] *Volume 1998, page 518 and Volume 2000, page 716.*
- [6] *Volume 1998, page 519 and Volume 2000, page 740.*
- [7] *Volume 1998, page 525 and Volume 2000, page 726.*
- [8] *Volume 1998, page 526 and Volume 2000, page 742.*
- [9] *Volume 1998, page 527 and Volume 2000, page 727.*
- [10] *Volume 1998, page 530 and Volume 2000, page 728.*
- [11] *Volume 1998, page 541.*
- [12] *Volume 1998, page 542 and Volume 2000, page 730.*
- [13] *Volume 1998, page 546, Volume 2000, page 743 and Volume 2002, page 107.*
- [14] *Volume 1998, page 548.*
- [15] *Volume 1998, page 550 and Volume 2000, page 743.*
- [16] *Volume 1998, page 550 and Volume 2000, page 743.*
- [17] *Volume 1998, page 553 and Volume 2000, page 744.*
- [18] *Volume 1998, page 557 and Volume 2000, pages 732 and 745.*
- [19] *Volume 1998, page 566, Volume 2000, page 734 and Volume 2002, page 111.*
- [20] *Volume 1998, page 573 and Volume 1999, page 527.*
- [21] *Volume 1998, page 581, Volume 2000, page 736 and R&Os 9402 and 127/2000.*
- [22] *Volume 1998, page 594.*
- [23] *Volume 1990-1991, page 982 and Volume 2002, page 255.*
- [24] *Volume 1990-1991, page 978.*
- [25] *Volume 1996-1997, pages 81 and 552, Volume 1998, pages 274 and 427, Volume 1999, pages 420 and 526, Volume 2000, page 701, Volume 2002, page 711, Volume 2002, page 113 and Volume 2003, page 131.*
- [26] *Volume 1996-1997, pages 81 and 552, Volume 1998, pages 274 and 427, Volume 1999, pages 420 and 526, Volume 2000, page 701, Volume 2002, page 711, Volume 2002, page 113 and Volume 2003, page 131.*
- [27] *P.111/2004.*