

**ORDINANCE
OF THE STATES OF DELIBERATION**

ENTITLED

**The Employers' Liability (Compulsory Insurance) (General
Provisions) Ordinance, 1994 ***

[CONSOLIDATED TEXT]

NOTE

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* Ordinances of the States, Vol. XXVI, p. 294; as amended by the Employers' Liability (Compulsory Insurance) (Subsidiary Companies) Ordinance, 1997 (No. I of 1997).

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ARRANGEMENT OF SECTIONS

1. Minimum insurance cover for purposes of Law.
- 1A. Companies and their subsidiaries.
- 1B. Meaning of "company".
- 1C. Meaning of "subsidiary".
2. Prohibition of certain conditions in approved policies.
3. Meaning of "the Law".
4. Citation.
5. Commencement.

(Made on the 23rd February, 1994.)

The Employers' Liability (Compulsory Insurance) (General Provisions) Ordinance, 1994

THE STATES, in exercise of the powers conferred upon them by sections 1(1) and 9(1) of the Employers' Liability (Compulsory Insurance) (Guernsey) Law, 1993^a, hereby order: –

Minimum insurance cover for purposes of Law.

1. For the purposes of section 1 of the Law, the amount for which an employer is required to insure and maintain insurance shall be £2,000,000 in respect of claims relating to any one or more of his employees arising out of any one occurrence.

[Companies and their subsidiaries.

1A. Notwithstanding the provisions of section 1 of this Ordinance, in the case of a company with subsidiaries, it and its subsidiaries shall be deemed to have satisfied the requirement in respect of the limit of the amount of compulsory insurance prescribed in section 1 if it insures and maintains insurance (where required) for itself and on behalf of its subsidiaries for the amount mentioned in that section in respect of claims relating to any one or more of its own employees and to any one or more employees of its subsidiaries arising out of any one occurrence.]

NOTE

Section 1A was inserted by the Employers' Liability (Compulsory Insurance) (Subsidiary Companies) Ordinance, 1997, section 1, with effect from 29th January, 1997.

^a Ordres en Conseil No. XIII of 1993.

[Meaning of "company".

1B. In section 1A the expression "**company**" includes any body corporate.]

NOTE

Section 1B was inserted by the Employers' Liability (Compulsory Insurance) (Subsidiary Companies) Ordinance, 1997, section 1, with effect from 29th January, 1997.

[Meaning of "subsidiary".

1C. (1) For the purposes of section 1A a company is, subject to the provisions of subsection (3), a subsidiary of another if, but only if –

(a) that other –

- (i) is a member of it and controls the composition of its board of directors, or
- (ii) holds more than half in nominal value of its equity share capital, or

(b) the first-mentioned company is a subsidiary of any company which is that other's subsidiary.

(2) For the purposes of subsection (1) the composition of a company's board of directors shall be deemed to be controlled by another company if, but only if, that other company has some power, exercisable without the consent or concurrence of any other person, to appoint or remove the holders of all or a

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majority of the directorships; and that other company shall be deemed to have power to appoint a person to any directorship in respect of which any of the following conditions is satisfied –

- (a) that a person cannot be appointed thereto without the exercise in his favour by that other company of such a power,
 - (b) that a person's appointment thereto follows necessarily from his appointment as director of that other company,
 - (c) that the directorship is held by that other company itself or by a subsidiary of it.
- (3) In determining whether a company is a subsidiary of another –
- (a) any shares held or power exercisable by that other in a fiduciary capacity shall be treated as not held or exercisable by it,
 - (b) subject to paragraphs (c) and (d), any shares held or power exercisable –
 - (i) by any person as a nominee for that other (except where that other is concerned only in a fiduciary capacity),
 - (ii) by, or by a nominee for, a subsidiary of that other, not being a subsidiary which is

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concerned only in a fiduciary capacity,

shall be treated as held or exercisable by that other,

- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the first-mentioned company or of a trust deed for securing any issue of such debentures shall be disregarded,
- (d) any shares held or power exercisable by, or by a nominee for, that other or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) shall be treated as not held or exercisable by that other if the ordinary business of that other or its subsidiary, as the case may be, includes the lending of money and the shares are held or power is exercisable as aforesaid by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(4) In this section "**equity share capital**", in relation to a company, means its issued share capital excluding any part thereof which, as respects neither dividends nor capital, carries a right to participate beyond a specified amount in a distribution.]

NOTE

Section 1C was inserted by the Employers' Liability (Compulsory Insurance) (Subsidiary Companies) Ordinance, 1997, section 1, with effect from 29th January, 1997.

Prohibition of certain conditions in approved policies.

2. (1) Any condition in a policy of insurance issued or renewed for the purposes of the Law which provides (in whatever terms) that no liability (whether generally or in respect of a particular claim) shall arise under the policy, or that any such liability so arising shall cease –

- (a) in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy,
- (b) unless the policy holder takes reasonable care to protect his employees against the risk of bodily injury or disease in the course of their employment,
- (c) unless the policy holder complies with the requirements of any enactment for the protection of employees against the risk of bodily injury or disease in the course of their employment, or
- (d) unless the policy holder keeps specified records or provides the insurer with or makes available to him information therefrom,

is hereby prohibited for the purposes of the Law.

(2) Nothing in subsection (1) shall affect any provision in a policy requiring the policy holder to pay to the insurer any sums which the latter may have become liable to pay under the policy and which have been applied in the satisfaction of claims in respect of employees or any costs and expenses incurred in

relation to such claims.

Meaning of "the Law".

3. In this Ordinance the expression "**the Law**" means the Employers' Liability (Compulsory Insurance) (Guernsey) Law, 1993.

Citation.

4. This Ordinance may be cited as the Employers' Liability (Compulsory Insurance) (General Provisions) Ordinance, 1994.

Commencement.

5. This Ordinance shall come into force on the 1st March, 1994.