STATES OF JERSEY

Jersey

DRAFT JERSEY MUTUAL INSURANCE SOCIETY (TRANSFER) (JERSEY) LAW 202-

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Lodged au Greffe on 25th September 2025
by the Chief Minister
Earliest date for debate: 11th November 2025

STATES GREFFE

Jersey

DRAFT JERSEY MUTUAL INSURANCE SOCIETY (TRANSFER) (JERSEY) LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, Deputy M.R. Ferey of St. Saviour, Assistant Chief Minister, has made the following statement –

In the view of Deputy M.R. Ferey of St. Saviour, Assistant Chief Minister, the provisions of the Draft Jersey Mutual Insurance Society (Transfer) (Jersey) Law 202- are compatible with the Convention Rights.

Signed: **Deputy M.R. Ferey of St. Saviour**
Assistant Chief Minister

Dated: 18th September 2025

REPORT

Jersey Mutual Insurance Society ("**Society**") will be restructured from a mutual society to a company limited by guarantee ("**CLG**") by transferring the whole business of the Society to Jersey Mutual Insurance Society Limited, a guarantee company formed and registered under the Companies (Jersey) Law 1991 (the "**Company**"), including the right to use the name "Jersey Mutual".

The Society is currently incorporated pursuant to statute and this, together with fundamental rules and bye-laws currently governs, amongst other things, the Society's corporate governance arrangements (see Background below). Ministerial approval is accordingly required for changes to the corporate structure of the Society. This is neither time, nor cost effective and restricts the Society from both competing in the modern-day insurance market, and being able to react, in a timely manner, to ongoing evolving regulatory demands and emerging market risks.

The restructuring of the Society as the Company will enable the Society to have requisite autonomy over its corporate governance structure to –

- facilitate the governance of the Society vesting in those who are actually involved in the running of the business of the Society on a day-to-day basis;
- enable the Society to transact in a robust, proactive and agile manner, in both its business and regulatory environment, whilst maintaining the Society's mutual ethos;
- equip directors, who have the requisite industry experience and skills, with the capability to make strategic decisions on behalf of the Society;
- attract non-executive directors with specials skill sets and expertise to advise the Society; and
- provide a more effective and efficient service to the Society's members.

Background

The Society is authorised under a Category B permit issued by the Jersey Financial Services Commission ("**JFSC**") to undertake insurance business in or from within Jersey. It is one of only three such Category B permit holders in Jersey, with the majority of persons undertaking insurance business in Jersey doing so by virtue of their authorisation to undertake this activity in another jurisdiction outside Jersey.

At present, the Society is incorporated under the Jersey Mutual Fire Insurance Society: Incorporation Act passed by the States of Jersey on 13 February 1908 and confirmed by Order of His Majesty in Council on 9 April 1908 ("**Founding Statute**"). The Society is governed by fundamental rules set out in the Schedule to the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 7) (Jersey) Law 2014 ("**Fundamental Rules**"). The Fundamental Rules are supplemented by bye-laws, which are adopted at either the annual general meeting or a special general meeting of the Society's members ("**Bye-Laws**").

The Fundamental Rules and Bye-Laws stipulate the Society's governance arrangements and these may be as follows (capitalised terms having the meaning given to them in the Fundamental Rules or Bye-Laws as applicable) –

- a Board of Administration is formed, composed of Directors who are selected from among the members of the Society;
- each year, the Board of Administration selects from among their number a President, Vice-President and Junior Vice-President, who have full power to direct, conduct and manage the affairs of the Society in conformity with the Fundamental Rules;

- the Board of Administration must appoint a General Manager and such other officers as it may deem necessary for the proper management of the Society's affairs; and
- the Board of Administration and the Supervisory Committee, in exercising their inherent powers to manage the Society under the Fundamental Rules, have delegated certain functions to an Executive Committee consisting of the General Manager, the Finance Manager, the Compliance Manager and the members of the Supervisory Committee,

  ("**Current Governance Arrangement**")

Further to review of the Current Governance Arrangement in 2020 and 2021, the Society became aware that consideration needed to be given to changing the Current Governance Arrangement in order to fully comply with its regulatory obligations under, amongst other things, the Insurance Business Code of Practice issued by the JFSC, and to facilitate the governance of the Society vesting in those who are actually involved in the running of the business of the Society on a day-to-day basis.

Accordingly, in 2022, further to obtaining legal advice and to due consideration of seven options for effecting the requisite change of the Current Governance Arrangement, the Executive Committee recommended, and the Board of Administration accepted, to restructure the Society as a CLG.

The CLG is a relatively popular corporate form for mutual societies in the United Kingdom (under comparable law), with notable examples including the National Farmers Union Mutual Insurance Society Limited and the Cornish Mutual Assurance Company Limited. Fundamentally, the CLG preserves the mutual status of the Society by, amongst other things, providing that the holding of a policy with the Society constitutes membership of the Society.

Fundamentally, the ownership and mutual status of the Society will remain the same post restructuring as a CLG, with Article 7 of the Company's Articles of Association confirming that the issuance of a policy to a person or organisation and the entering of their names into the Register of Members continues to constitute membership of the Company. Pursuant to the Company's Memorandum, it is the members that are the owners of the Company and who guarantee to contribute a nominal sum (not exceeding £5.00) to the assets of the Company if it should be wound up.

The Draft Jersey Mutual Insurance Society (Transfer) (Jersey) Law 202- ("**Draft Law**") aims to effect the restructuring of the Society as a CLG by transferring the whole business of the Society to Jersey Mutual Insurance Society Limited, a guarantee company formed and registered under the Companies (Jersey) Law 1991, including the right to use the name "Jersey Mutual".

Financial impact

The Society's Auditors have confirmed that they do not envisage the proposed restructuring as having a significant effect on the financial status of the Society, whilst acknowledging that there will be some additional expenditure incurred relating to the restructuring and future annual filing costs of the Company. This opinion excludes the effect of any taxation impact of the restructuring on the financial status of the Society operating as the Company.

The Society's tax advisers have separately confirmed that, based on the principles outlined in Revenue Jersey's guidance on mutual trading, the proposed restructuring is not expected to give rise to a material taxation liability, provided the Company continues to trade directly with its members.

The Draft Law proposes to transfer the whole business of the Society to the Company and, accordingly, the Company will continue to trade directly with its members.

Consultation

On 30 June 2025, the Society issued a communication to all of its members setting out information about the proposed restructuring ("**Communication**") and, in particular, informing members of their right to –

- view the Draft Law and the Company's proposed memorandum and articles of association ("**M&A**") online;
- request a hard copy of the Draft Law and the M&A by writing to the Society at its usual address; and
- raise any concerns in respect of the Draft Law by writing to the Society within 30 days of the date of the Communication, and that all concerns received relevant to the proposed restructuring of the Society would be brought forward to the Government of Jersey in advance of debate of the Draft Law by the States Assembly.

Five responses were received to the Communication, all of which were responded to directly by the Society. Both the responses received from members and the Society's responses thereto have been furnished in full to the Government of Jersey/Chief Minister.

The Draft Law

The Draft Law transfers the whole business of the Society to the Company, including the right to use the name "Jersey Mutual".

Scope of the Draft Law

The Draft Law is of limited scope in that it only applies to the Society and is not of wider application across Jersey's financial services industry. Accordingly, the members of the Society whom it will directly impact have all been informed of, and had the opportunity to respond to, the proposal for the Draft Law (see Consultation above).

Interpretation

The Society is defined as the "*transferor*" and the Company as the "*transferee*" under the Draft Law.

"*Transferred undertaking*" is defined as all existing property and liabilities of the Society, whether the Society holds or is subject to the property or liability beneficially or in a fiduciary capacity.

"*Commencement day*" means the day the Draft Law comes into force.

Transfer of transferred undertaking and related authorisation

On and from the commencement day, the transferred undertaking will be transferred to and vested in the transferee without the requirement for further assurance. The transferee will succeed to the transferor's whole business and will be granted the right to use the name "Jersey Mutual" as is the transferee were the same person as the transferor.

Provisions as to trusteeships and executorships

On and from the commencement day, property that is transferred to and vested in the transferee that, immediately before the commencement day was held by the transferor as trustee, will be held by the transferee in the same capacity on trust and subject to the same powers, provisions and liabilities applicable to the property immediately before the commencement day.

An existing legal instrument or a court order that transferred property to, or vested property in, the transferor in a fiduciary or trustee capacity will have effect, on and from the commencement day, so that a reference to the transferor will be replaced with a reference to the transferee, except for terms and conditions and fee scales.

Testamentary gifts will not be revoked.

Effect on contracts

On and from the commencement day, the transferee will replace the transferor as a party to an existing contract.

Effect on existing instructions, powers of attorney etc.

On and from the commencement day, an existing instruction, order, direction, mandate, power of attorney, authority or undertaking of consent given to the transferor will have effect as if given to the transferee.

Effect on negotiable instruments

On and from the commencement day, a negotiable instrument or order for payment of money that was drawn on, given to, accepted, or endorsed by the transferor, or payable at a place of business of the transferor will have the same effect as if it had been drawn on, given to, accepted or endorsed by the transferee, or payable at the place of the business of the transferee.

Custody of documents, goods or other things

On and from the commencement day, the custody of a document, goods or other thing held by the transferor as bailee will pass to the transferee.

Liability for security

On and from the commencement day, security interests and related liabilities will be transferred to the transferee when the transferor holds security for those liabilities (directly or through a nominee or trustee). Liabilities and rights to enforce or realise security will remain unaffected by the transfer, and any security held before the commencement day, will be vested in the transferee.

Rights and remedies of transferee

On and from the commencement day, if a right or liability is transferred to the transferee under the Draft Law, the transferee and all other persons will have the same rights, powers and remedies to address that right or liability as if it had always been the transferee’s right or liability.

Continuation of legal proceedings

On and from the commencement day, legal proceedings that are pending, current or stayed before the commencement day by, against or in favour of the transferor, will continue by, against or in favour of the transferee.

Enforceability of judgement, award or order

An existing judgement, award or order of compensation obtained by, against or in favour of the transferor that is not fully satisfied before the commencement day, will, on and from the commencement day, and to the extent to which it is immediately before the commencement day enforceable by, against or in favour of the transferor, enforceable by, against or in favour of the transferee.

Retention of power to exercise supervisory or regulatory functions in respect of the Transferor, and access to records by supervisory bodies

The JFSC and any other persons having supervisory or regulatory functions in respect of the Transferor will, on and from the commencement day, retain their power to exercise supervisory or regulatory functions and to access records in respect of the Transferor and such power may be enforced against the Transferee.

Reliance on prior disclosures under the Proceeds of Crime (Jersey) Law 1999

On and from the commencement day, the transferee will be permitted to rely on and enforce a disclosure, statement or consent previously made under the Proceeds of Crime (Jersey) Law 1999 by the transferor to the Financial Intelligence Unit ("**FIU**") or received by the transferor from the FIU relating to the transferred undertaking.

Contracts of employment

On and from the commencement day, if an employee does not object, their contract with the transferor will continue seamlessly with the transferee, transferring all associated rights, powers, and liabilities. Actions or omissions by the transferor before the transfer will be considered as related to the transferee. However, this will not affect liability for prosecution, conviction, or sentencing. If an employee objects, the contract will not transfer and their employment with the transferor will end, but this is not deemed a dismissal. Employers will not be obligated to pay damages for unworked notice periods, and the employee's right to terminate the contract due to a repudiatory breach will not be limited.

Books and documents

On and from the commencement day, all books and other documents admissible as evidence for or against the transferor before the commencement day will be admissible in evidence for or against the transferee in the same matter.

Evidence of transfer

On and from the commencement day, producing an official version of the Draft Law will serve as conclusive evidence of the transfer and vesting of the transferred undertaking in the transferee.

Provisions relating to transferred undertaking

The Royal Court, upon ordering the registration of the Draft Law, will also order the registration of an official version of the Draft Law in the Public Registry of Contracts.

On and from the commencement day, property vested in, belonging to or held by the transferor, registered in the Public Registry of Contracts immediately before the commencement day, will be transferred to and held by the transferee.

Saving for statutory provisions regulating carrying on of business

Nothing in the Draft Law will exempt the transferee or the transferor from an enactment regulating the carrying on of business in Jersey.

Related repeals and final provisions

The Draft Law release the following enactments –

(a) Jersey Mutual Fire Insurance Society: Incorporation Act 1908;

(b) Jersey Mutual Fire Insurance Society, Incorporated, (Alteration of Name and Rules) Law, 1952;

(c) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (Jersey) Law, 1976;

(d) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 2) (Jersey) Law, 1978;

(e) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 3) (Jersey) Law, 1980;

(f) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 4) (Jersey) Law, 1984;

(g) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 5) (Jersey) Law 1998;

(h) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 6) (Jersey) Law 2010; and

(i) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 7) (Jersey) Law 2014.

Citation and commencement

The Draft Law will be brought into force by ministerial order.

Financial and staffing implications

There are no financial or staffing implications for the States.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

Human Rights

The notes on the human rights aspects of the Draft Law have been included as an **Appendix**. They have been prepared by the Law Officers' Department for the information of States Members. They are not, and should not be taken as, legal advice.

APPENDIX TO REPORT

Human Rights Notes on the Draft Jersey Mutual Insurance Society (Transfer) (Jersey) Law 202-

These Notes have been prepared in respect of the Draft Jersey Mutual Insurance Society (Transfer) (Jersey) Law 202- (the "**draft Law**") by the Law Officers' Department. They summarise the principal human rights issues arising from the contents of the draft Law and explain why, in the Law Officers' opinion, the draft Law is compatible with the European Convention on Human Rights ("**ECHR**").

These notes are included for the information of States Members. They are not, and should not be taken as, legal advice.

Nature of the amendments made by the draft Law

The draft Law effects the restructure of Jersey Mutual Insurance Society (the "**Society**") from a company incorporated by statute into Jersey Mutual Insurance Society Limited, a company limited by guarantee ("**CLG**"). The Society is a regulated entity and holds a Category B permit under the Insurance Business (Jersey) Law 1996 for the conduct of insurance business. The whole business of the Society will be transferred into the CLG including current regulatory permissions.

At present, the Society is incorporated under the Jersey Mutual Fire Insurance Society Incorporation Act ("Act") passed by the States of Jersey on 13 February 1908 and confirmed by Order of His Majesty in Council on 9 April 1908 ("Founding Statute"). The Society is governed by fundamental rules set out in the Schedule to the Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 7) (Jersey) Law 2014 ("Fundamental Rules"). The Fundamental Rules are supplemented by bye-laws, which are adopted at either the annual general meeting or a special general meeting of the Society's members ("Bye-Laws").The Fundamental Rules and Bye-Laws provide the framework for the Society's corporate governance.

The Society is the transferor and the CLG is the transferee. The draft Law confirms that when the business is transferred by the transferor to the transferee, the transferee will assume the rights and obligations of the transferor. On or from the commencement day of the transfer the transferee will have the same rights, powers and remedies to address that right or liability as if it had always been the transferee's right or liability.

The draft Law also confirms that on or from the commencement day of the transfer there will be no change to provisions as to trusteeships and executorships; existing contracts; existing instructions, powers of attorney etc. negotiable instruments; custody of documents, goods or other things; liability for security; continuation of legal proceedings; enforceability of judgment, award or order; books and documents admissible as evidence.

Furthermore, the draft Law confirms that on and from the commencement date of the transfer, the transferee is entitled to rely on and enforce a disclosure, statement or consent previously made by the transferor to the FIU under the Proceeds of Crime (Jersey) Law 1999 or received by the transferor from the FIU relating to the transferred undertaking. The Jersey Financial Services Commission's power to exercise supervisory or regulatory functions in respect of the Transferor, and access to records by supervisory bodies is retained in the draft Law.

The draft Law also provides that if an employee objects to becoming an employee of the transferee the transfer operates to terminate the employee's contract of employment with the proviso that the employee will not be treated as having been dismissed by the transferor.

The restructuring of the Society as a CLG will enable the Society to have control over its corporate governance structure without the need to seek an amendment to its Fundamental Rules via the States Assembly whenever changes need to be made. This will ensure that governance of the Society is vested in those who are involved in the running of the business on a day-to-day basis as well as enabling the Society to respond to regulatory changes in a robust and agile manner whilst maintaining the Society's mutual ethos. Subject to States approval of the draft Law, the existing Act and subsequent amending Laws will be repealed.

The draft Law potentially engages one right under the ECHR, the right to protection of property under Article 1 Protocol 1 to the ECHR.

Article 1 of Protocol No. 1 to the ECHR ("A1P1"): Peaceful enjoyment of property

Article A1P1 provides –

> *"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.*
>
> *The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties."*

The current structure of the Society as a Mutual means that it is owned and run by the members for the benefit of members. The restructure of the Society to a CLG may amount to controls on the use of property and therefore to interferences with the right afforded by A1P1. A1P1 is a qualified right and allows for interference if it is in the public interest and the measures are necessary and proportionate. The restructure is a legitimate aim in the interest of ensuring the Society has an effective corporate governance framework in place which is in the public interest in order to protect members and enable timely compliance with its regulatory obligations. The regime for doing so is proportionate. However, the restructure from a Mutual will not materially affect the ownership structure as a CLG does not have shareholders and the members as policy holders will continue to be the Society's ultimate owners. Protection of the Mutual ethos is provided for in the Memorandum and Articles of Association of the CLG.

Accordingly, the provisions of the draft Law are considered to be compatible with A1P1 of the ECHR.

EXPLANATORY NOTE

This Law, if passed, will provide for the transfer of the undertaking of Jersey Mutual Insurance Society (the "transferor") to Jersey Mutual Insurance Society Limited (the "transferee") on restructuring the Society to a guarantee company.

Article 1 contains interpretation provisions.

Article 2 details the process for transferring the transferred undertaking (as defined in *Article 1*) from the transferor to the transferee. On the commencement day, the transferred undertaking is transferred to and vested in the transferee without the requirement for further assurance. The transferee succeeds to the transferor's whole business and is granted the right to use the name "Jersey Mutual" as if the transferee were the same person as the transferor.

Additionally, *Article 2* provides that an authorisation (as defined in *Article 2*) issued to the transferor by the Jersey Financial Services Commission or an administration of the States of Jersey is transferred to the transferee with effect from the commencement day and continues in effect as though it was originally issued to the transferee.

Article 3 provides that property that is transferred to and vested in the transferee that, immediately before the commencement day was held by the transferor as trustee will be held by the transferee in the same capacity on trust and subject to the same powers, provisions and liabilities applicable to the property immediately before the commencement day. *Article 3* also provides that an existing legal instrument or a court order that transferred property transferred to or vested property in the transferor in a fiduciary or trustee capacity has effect on and from the commencement day so that a reference to the transferor is replaced with a reference to the transferee, except for terms and conditions and fee scales. The transferee may exercise the transferor's right to change terms and conditions or fee scales. Testamentary gifts are not revoked.

Article 4 provides for the transferee to replace the transferor as a party to an existing contract. Any reference to the transferor in the existing contract regarding anything to be done after the commencement day is a reference to the transferee. A reference to the transferor's directors is a reference to the transferee's directors. A reference to the transferor's director, officer or employee regarding anything to be done after the commencement day is a reference to the transferee's appointed director, officer or employee, or, if none is appointed, to the corresponding transferee's person.

Article 5 provides for an existing instruction, order, direction, mandate, power of attorney, authority or undertaking of consent given to the transferor to have effect, on and from the commencement day, as if given to the transferee.

Article 6 provides that, on or from the commencement day a negotiable instrument or order for payment of money that was drawn on, given to, accepted, or endorsed by the transferor, or payable at a place of business of the transferor has the same effect as if it had been drawn on, given to, accepted, or endorsed by the transferee, or payable at the same place of business of the transferee.

Article 7 provides for the custody of a document, goods or other thing held by the transferor as bailee to pass to the transferee on the commencement day. The rights and obligations of the transferor under a contract of bailment relating to the document, goods or thing are also transferred to the transferee on the commencement day.

Article 8 ensures that security interests and related liabilities are transferred to the transferee when the transferor holds security for those liabilities (directly or through a nominee or trustee). Liabilities and rights to enforce or realize security remain unaffected by the transfer, and any security held before the commencement day is vested in the transferee. The security extends to future advances and liabilities, ensuring continuity of rights and priorities for the transferee from the commencement day onward.

Article 9 provides that on and from the commencement day if a right or liability is transferred to the transferee under this Law, the transferee and all other persons have the same rights, powers and remedies to address that right or liability as if it had always been the transferee's right or liability. This includes the same rights and powers for taking or resisting legal proceedings and the same rights and powers for making or resisting applications to an authority.

Article 10 permits the continuation by or against the transferee of legal proceedings or an application to an authority. This applies whether the legal proceeding is pending, current or stayed before the commencement day by, against or in favour of the transferor. However, a stayed legal proceeding or application an authority may only be continued after the stay is lifted.

Article 11 provides that an existing judgment award or order of compensation obtained by, against or in favour of the transferor and not fully satisfied before the commencement day is, to the extent to which it is immediately before the commencement day enforceable by, against or in favour of the transferor, enforceable by, against or in favour of the transferee.

Article 12 provides for the retention of power to exercise supervisory or regulatory functions in respect of the Transferor, and access to records, by the Jersey Financial Services Commission and any other person having supervisory or regulatory functions.

Article 13 permits the transferee to rely on and enforce a disclosure, statement or consent previously made under the Proceeds of Crime (Jersey) Law 1999 by the transferor to the FIU (as defined in that Law) or received by the transferor from the FIU relating to the transferred undertaking.

Article 14 addresses the treatment of contracts of employment (as defined in that Article) during a relevant transfer. If an employee does not object, their contract with the transferor continues seamlessly with the transferee, transferring all associated rights, powers, and liabilities. Actions or omissions by the transferor before the transfer are considered as related to the transferee. However, this does not affect liability for prosecution, conviction, or sentencing. If an employee objects, the contract does not transfer and their employment with the transferor ends, but this is not deemed a dismissal. Employers are not obligated to pay damages for unworked notice periods, and the employee's right to terminate the contract due to a repudiatory breach is not limited.

Article 15 provides that all books and other documents admissible as evidence for or against the transferor before the commencement day are admissible in evidence for or against the transferee in the same matter.

Article 16 establishes that starting from the commencement day producing an official version of this Law serves as conclusive evidence of the transfer and vesting of the transferred undertaking in the transferee. Additionally, any document made or executed on or after the commencement day, through which the transferee transfers or attempts to transfer property to another person, is sufficient evidence that the property interests held by the transferor immediately before the commencement day were vested in the transferee.

Article 17 requires that the Royal Court, upon ordering the registration of this Law, also order the registration of an official version of this Law in the Public Registry of Contracts. Registering a copy of this Law in the Public Registry of Contracts grants it the same legal effect as a contract passed before the Royal Court. Property vested in, belonging to or held by the transferor, registered in the Public Registry of Contracts immediately before the commencement day, transfers to and is held by the transferee on and from the commencement day. No fees are payable under an enactment for registering a copy of this Law. The transfer or vesting of an interest in land under this Law does not constitute an assignment, transfer, devolution, parting with possession or other disposition of that interest nor does it give rise to forfeiture or invalidate or discharge a contract or security.

Article 18 provides that nothing in this Law exempts the transferee or transferor from an enactment regulating the carrying on of business in Jersey.

Article 19 exempts this law from the application of Article 13 of the Legislation (Jersey) Law 2021.

Article 20 repeals the following enactments –

(a) Jersey Mutual Fire Insurance Society Incorporation Act 1908;

(b) Jersey Mutual Fire Insurance Society, Incorporated, (Alteration of Name and Rules) Law, 1952;

(c) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (Jersey) Law 1976;

(d) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 2) (Jersey) Law 1978;

(e) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 3) (Jersey) Law 1980;

(f) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 4) (Jersey) Law 1984;

(g) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 5) (Jersey) Law 1998;

(h) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 6) (Jersey) Law 2010; and

(i) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 7) (Jersey) Law 2014.

Article 21 provides the title by which this Law may be cited and provides for it to come into force on a day to be specified by the Chief Minister by Order.

Jersey

DRAFT JERSEY MUTUAL INSURANCE SOCIETY (TRANSFER) (JERSEY) LAW 202-

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Jersey

DRAFT JERSEY MUTUAL INSURANCE SOCIETY (TRANSFER) (JERSEY) LAW 202-

A LAW to provide for the transfer of the undertaking of Jersey Mutual Insurance Society to Jersey Mutual Insurance Society Limited, a company limited by guarantee, on restructuring the Society to a guarantee company, and for connected purposes.

Adopted by the States	*[date to be inserted]*
Sanctioned by Order of His Majesty in Council	*[date to be inserted]*
Registered by the Royal Court	*[date to be inserted]*
Coming into force	*[date to be inserted]*

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

1 Interpretation

In this Law –

"commencement day" means the day this Law comes into force;

"document" has the meaning given by Article 1(1) of the Electronic Communications (Jersey) Law 2000;

"existing" means existing, outstanding or in force, immediately before the commencement day;

"Jersey Mutual Insurance Society" means the Jersey Mutual Insurance Society incorporated as the Jersey Mutual Fire Insurance Society by Act of the States passed on 13 February 1908 and sanctioned by Order in Council on 9 April 1908, the name of which was changed to Jersey Mutual Insurance Society by the Jersey Mutual Fire Insurance Society, Incorporated, (Alteration of Name and Rules) Law, 1952;

"liabilities" includes duties and obligations (whether present or future, actual or contingent);

"property" includes assets, immovable property, property held on trust and securities, rights, benefits and powers whether in Jersey or elsewhere;

"security" includes a hypothec (whether legal, judicial or conventional), a mortgage or charge (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment, indemnity, right of set-off, undertaking or other means of securing payment or discharge of a debt or liability (whether present or future, actual or contingent);

"transferee" means Jersey Mutual Insurance Society Limited, a guarantee company formed and registered under the Companies (Jersey) Law 1991;

"transferor" means Jersey Mutual Insurance Society;

"transferred undertaking" means all existing property and liabilities of Jersey Mutual Insurance Society, whether Jersey Mutual Insurance Society holds or is subject to the property or liability beneficially or in a fiduciary capacity.

2 Transfer of transferred undertaking and related authorisation

(1) On the commencement day, the transferred undertaking is under this Law transferred to, and vests in, the transferee with –

(a) the intention that the transferee succeeds to the whole business of the transferor; and

(b) the right of the transferee to use the name "Jersey Mutual", as if the transferee is the same person under the law as the transferor.

(2) An authorisation issued to the transferor by the Jersey Financial Services Commission or an administration of the States in respect of the transferor is –

(a) transferred to the transferee with effect from the commencement day; and

(b) continues in effect as if the authorisation was originally issued to the transferee.

(3) In this Article, "authorisation" includes consent, licence, permit and registration.

3 Provisions as to trusteeships and executorships

(1) Property that is transferred to and vested in the transferee under Article 2 or any other provision of this Law and that immediately before the commencement day was held by the transferor, whether alone or jointly with any other person, as trustee shall, on and from the commencement day, be held by the transferee –

(a) in the same capacity on trust; and

(b) subject to the powers, provisions and liabilities applicable to the property immediately before the commencement day.

(2) An existing legal instrument or court order that transferred property to or vested property in the transferor in a fiduciary or trustee capacity has effect on and from the commencement day as follows –

(a) a reference to the transferor in the existing legal instrument or court order (except a reference to the transferor's terms and conditions or fee scales) is replaced with a reference to the transferee; and

(b) the transferee may exercise the transferor's right to change the terms and conditions or fee scales.

(3) No testamentary gift is revoked under this Law and no testamentary gift shall be adeemed by reason only of the operation of any provision of this Law.

(4) A legal instrument or court order referred to in paragraph (2) includes –

(a) a grant of probate for a will, codicil or other testamentary writing; and

(b) a provision relating to the legal instrument or court order, or an existing contract, for paying or retaining the transferor for their services.

4 Effect on contracts

(1) An existing contract to which the transferor was a party (whether in writing or not), including a member's policy of insurance underwritten by the transferor, has effect on and from the commencement day as if –

(a) the transferee had been a party to the contract instead of the transferor;

(b) a reference (whether express or implied) to the transferor, regarding anything to be done on or after the commencement day, is a reference to the transferee;

(c) a reference (whether express or implied) to the transferor’s directors is a reference to the transferee’s directors; and

(d) a reference (whether express or implied) to a director, officer or employee of the transferor, regarding anything to be done on or after the commencement day, is a reference to –

(i) a director, officer or employee of the transferee that the transferee appoints for that purpose; or

(ii) in default of appointment, the director, officer or employee of the transferee who corresponds as far as possible to the director, officer or employee of the transferor.

(2) In this Article, “member” means a person who has a policy of insurance underwritten by the transferor or the transferee.

5 Effect on existing instructions, powers of attorney, etc.

An existing instruction, order, direction, mandate, power of attorney, authority or undertaking of consent given to the transferor (whether in writing or not and whether relating to an account or not) has effect, on and from the commencement day, as if given to the transferee.

6 Effect on negotiable instruments

On and from the commencement day, a negotiable instrument or order for payment of money that was drawn on, given to, accepted or endorsed by the transferor, or payable at a place of business of the transferor, has the same effect as if it had been drawn on, given to, accepted or endorsed by the transferee, or payable at the same place of business as the transferee.

7 Custody of documents, goods or other things

On the commencement day –

(a) the custody of a document, goods or other thing held by the transferor as bailee passes to the transferee; and

(b) the rights and obligations of the transferor under a contract of bailment relating to the document, goods or thing are transferred to the transferee.

8 Liability for security

(1) If immediately before the commencement day the transferor is under a liability to the transferee in respect of or in connection with which the transferor, or a nominee of or trustee for the transferor holds security, the liability, for the purpose of

enforcing or realising the security, continues in effect despite the transfer under this Law of –

(a) that liability to the transferee;

(b) the transferred undertaking.

(2) A security held immediately before the commencement day by the transferor, or by the transferor's nominee or trustee, as security for the payment or discharge of a debt or liability (whether present or future, actual or contingent) is, on and from the commencement day –

(a) held by the transferee or that nominee, or trustee, for the transferee; and

(b) to the extent of that debt or liability, available to the transferee as security for the payment or discharge of the debt or liability.

(3) In relation to a security transferred to the transferee under this Law and monies secured by the transfer, the transferee is entitled to the rights and priorities and subject to the obligations and incidents to which the transferor would have been entitled and subject if the transferor had continued to hold the security.

(4) A security referred to in this Law that extends to future advances or liabilities is, on and from the commencement day, held by, and available to, the transferee as security for the payment or discharge of future advances by, and future liabilities to, the transferee to the same extent and in the same manner as future advances by, or liabilities to, the transferor or the transferee were secured immediately before that day.

9 Rights and remedies of transferee

On and from the commencement day, if a right or liability is transferred to the transferee under this Law, the transferee and all other persons have the same rights, powers and remedies to address that right or liability as if it had always been the transferee's right or liability, including –

(a) the same rights and powers for taking or resisting legal proceedings; and

(b) the same rights and powers for making or resisting applications to an authority.

10 Continuation of legal proceedings

(1) A legal proceeding or application to an authority by or against the transferor, that is pending, current or stayed before the commencement day, may be continued by or against the transferee.

(2) A legal proceeding or application to an authority that is stayed may only be continued under paragraph (1) after the stay is lifted.

11 Enforceability of judgment, award or order

An existing judgment, award or order of compensation obtained by, against or in favour of the transferor and not fully satisfied before the commencement day is, to the extent to which it is immediately before the commencement day enforceable by, against or in favour of the transferor, enforceable by, against or in favour of the transferee.

12 Retention of power to exercise supervisory or regulatory functions in respect of the Transferor, and access to records by supervisory bodies

(1) On and from the commencement day, the Jersey Financial Services Commission and any other person having supervisory or regulatory functions retain their power to exercise any of their supervisory or regulatory functions which would, but for this Law, accrue, arise or become enforceable against the Transferor, and such power may be enforced against the Transferee.

(2) The Jersey Financial Services Commission and any other person having supervisory or regulatory functions retain their power of access, under an enactment or order of a court or competent governmental, regulatory or supervisory body, to records held by the transferee that were held by the transferor immediately before the commencement day.

13 Reliance on prior disclosures under Proceeds of Crime (Jersey) Law 1999

(1) On and from the commencement day, for all purposes under the Proceeds of Crime (Jersey) Law 1999, the transferee is entitled to rely on and enforce a disclosure, statement or consent previously made by the transferor to the FIU or received by the transferor from the FIU relating to the transferred undertaking.

(2) In this Article, "FIU" has the meaning given in Article 1(1) of the Proceeds of Crime (Jersey) Law 1999.

14 Contracts of employment

(1) Unless an employee objects under paragraph (4) –

(a) the relevant transfer does not operate to terminate the contract of employment of a person employed by the transferor that is subject to the relevant transfer; and

(b) the contract has effect after the transfer as if originally made between the transferred employee and the transferee.

(2) On the completion of the relevant transfer –

(a) all the transferor's rights, powers and liabilities under or in connection with the contract of employment transfer to the transferee; and

(b) an act or omission by or relating to the transferor that occurred before the completion, in connection with the contract of employment or an employee, is an act or omission by or relating to the transferee.

(3) Paragraph (2) does not transfer or otherwise affect a person's liability to prosecution, conviction or sentencing for an offence.

(4) If an employee informs the transferor or the transferee that they object to becoming an employee of the transferee, paragraphs (1) and (2) do not transfer –

(a) the contract of employment of that employee; or

(b) the rights, powers and liabilities under or in connection with that contract.

(5) If an employee objects to the transfer, the relevant transfer operates to terminate the employee's contract of employment with the transferor but the employee is not treated, for any purpose, as having been dismissed by the transferor.

(6) No damages are payable by an employer because of a termination of employment under paragraph (5) in respect of a failure by the employer to pay wages to an employee in respect of a notice period that the employee has refused to work.

(7) Paragraphs (1), (4) and (5) do not limit the right of an employee to terminate their contract of employment without notice in acceptance of a repudiatory breach of contract by their employer.

(8) In this Article –

"contract of employment" includes a contract of service and a contract for services;

"relevant transfer" means the transfer of the transferred undertaking to the transferee under this Law.

15 Books and documents

All books and other documents admissible as evidence for or against the transferor before the commencement day are admissible in evidence for or against the transferee in the same matter.

16 Evidence of transfer

(1) The production of a copy of an official version of this Law is, on and after the commencement day, for all purposes, conclusive evidence of the transfer of the transferred undertaking to the transferee and the vesting of the transferred undertaking in the transferee under this Law.

(2) A document made or executed on or after the commencement day by which the transferee (either alone or jointly with another person) does an act described in paragraph (3) is sufficient evidence that the interests of the transferor in a property held by the transferor (whether alone or jointly) immediately before the commencement day became vested in the transferee under this Law.

(3) The following is an act referred to in paragraph (2) –

(a) the transferee transfers or purports to transfer the property to a person (whether for consideration or not); or

(b) the transferee applies to be registered as the holder or proprietor of the property.

17 Provisions relating to transferred undertaking

(1) The Royal Court must, when it orders the registration of this Law, also order the registration of a copy of an official version of this Law in the Public Registry of Contracts.

(2) The registration of a copy of this Law in the Public Register of Contracts has the same effect as a contract passed before the Royal Court.

(3) The title to property vested in, belonging to or held by the transferor immediately before the commencement day and which was registered in the Public Registry of Contracts before the commencement day, vests in, belongs to or is held by the transferee on and after the commencement day.

(4) No fees are payable in relation to the registration of a copy under paragraph (1).

(5) The transfer or vesting of an interest in land under this Law does not –

(a) constitute an assignment, transfer, devolution, parting with possession or other disposition of that interest for the purposes of a provision relating to assignment, transfer, devolution, parting with possession or other disposition contained in an instrument concerning that interest;

(b) give rise to a forfeiture; or

(c) invalidate or discharge a contract or security.

18 Saving for statutory provisions regulating carrying on of business

Nothing in this Law exempts the transferee or transferor from an enactment regulating the carrying on of business in Jersey.

19 Non-application of Article 13 of Legislation (Jersey) Law 2021

Article 13 of the Legislation (Jersey) Law 2021 does not apply to this Law.

20 Repeal

The following enactments are repealed –

(a) Jersey Mutual Fire Insurance Society: Incorporation Act 1908;

(b) Jersey Mutual Fire Insurance Society, Incorporated, (Alteration of Name and Rules) Law, 1952;

(c) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (Jersey) Law, 1976;

(d) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 2) (Jersey) Law, 1978;

(e) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 3) (Jersey) Law, 1980;

(f) Jersey Mutual Insurance Society, Incorporated, (Alteration of Rules) (No. 4) (Jersey) Law, 1984;

(g) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 5) (Jersey) Law 1998;

(h) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 6) (Jersey) Law 2010; and

(i) Jersey Mutual Insurance Society, Incorporated (Alteration of Rules) (No. 7) (Jersey) Law 2014.

21 Citation and commencement

This Law may be cited as the Jersey Mutual Insurance Society (Transfer) (Jersey) Law 202- and comes into force on a day to be specified by the Chief Minister by Order.