CHAP. xxxi.

An Act to effect a settlement of the affairs of "The Albert Life Assurance Company" by arbitration; and for other purposes. [25th May 1871.]

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WHEREAS the Albert Life Assurance Company, in this Act called the Albert Company, has a nominal capital of 500,000*l*., divided into 25,000 shares of 20*l*. each, on which sums varying from 3*l*. to 20*l*. per share have been paid up:

And whereas by an order of His Honour the Vice-Chancellor James, made on the 17th day of September 1869, the Albert Company was ordered to be wound up by the Court of Chancery:

And whereas the Albert Company, which was originally established on the 1st day of July 1839, under the title of the "Freemasons' and General Life Assurance Company," at divers times purchased on divers terms the assets and businesses (subject to the liabilities on policies, annuities, endowments, and otherwise) of the following companies; that is to say,

1. The Western Life Assurance Society, in this Act called the Western Company;
2. The Bank of London and National Provincial Insurance Association, in this Act called the Bank of London Company;
3. The Family Endowment Life Assurance and Annuity Society, in this Act called the Family Endowment Society;
4. The Medical, Invalid, and General Life Assurance Society, in this Act called the Medical and Invalid Company;
5. The National Guardian Assurance Society, in this Act called the National Guardian Company;
6. The Times Life Assurance and Guarantee Company, in this Act called the Times Company;
7. The Beacon Life and Fire Assurance Company, in this Act called the Beacon Company;

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8. The Kent Mutual Assurance Society, in this Act called the Kent Company; and

9. The Indian Laudable Mutual Life Assurance Society, in this Act called the Indian Laudable Company;

To each of which said selling companies the Albert Company, as one of the said terms, gave a general indemnity against claims on policies, annuities, and endowments current at the time of the purchase:

And whereas the said Western Company had previous to the sale of its assets and business to the Albert Company purchased the business and assets, subject to the liabilities and with similar indemnities as aforesaid, of the following insurance companies; that is to say, the Metropolitan Counties and General Life Assurance, Annuity, Loan, and Investment Society (which included the St. George Assurance Company and the London and Continental Assurance Company) and the Manchester and London Life Assurance Association:

And whereas the said Bank of London Company had previous to the sale of its assets and business to the Albert Company purchased the business and assets, subject to the liabilities and with similar indemnities as aforesaid, of the following insurance companies; that is to say, the National Provincial Life Assurance Society, the Falcon Life Assurance Society, the Merchants' and Tradesman's Mutual Life Assurance Society, and the Anchor Assurance Company:

And whereas the Family Endowment Company had previous to the sale of its assets and liabilities to the Albert Company purchased the assets and business, subject to the liabilities and with a similar indemnity as aforesaid, of the Empire Assurance Company:

And whereas the said Medical and Invalid Company had previous to the sale of its assets and business to the Albert Company purchased the business and assets, subject to the liabilities and with a similar indemnity as aforesaid, of the New Oriental Life Assurance Company:

And whereas the result of the said sales was that the Albert Company at the date of its winding-up was and still is liable upon a large number of policies, annuities, and endowments, a portion of which had been originally issued or contracted for by each of the said selling insurance companies above named, and that each of the said selling insurance companies was and may be liable upon some portion of the said policies, annuities, and endowments:

And whereas all the said companies herein-before mentioned are in process of liquidation by the Court of Chancery, except the National Guardian Company, the Times Company, the Beacon Company, the Indian Laudable Company, the St. George Assurance

Company, the London and Continental Assurance Company, the Merchants' and Tradesman's Mutual Life Assurance Society, the Empire Assurance Company, and the New Oriental Life Assurance Company:

And whereas the said Albert Company is wholly insolvent, and of the said other companies some are believed to be solvent and some insolvent, and some portion of the said claims on policies, annuities, and endowments may fall upon each of the said selling insurance companies:

And whereas, by reason of the indemnities aforesaid, such claims falling on the said selling companies respectively will give rise to claims over by the said selling companies respectively against the Albert Company:

And whereas in these circumstances divers disputes and questions have arisen between the Albert Company and the said other companies and the holders of the said policies, annuities, and endowments:

And whereas no call has yet been made in the said several liquidations, except a call of 1*l.* per share in the liquidation of the Western Life Assurance Company:

And whereas the policy holders, annuitants, endowment holders, and other creditors of the Albert and said other companies, except such of them as have claims on such of the said companies as are solvent, are in danger of losing a large portion of their claims on account of the insolvency of the Albert Company and of such of the said other companies as are insolvent; and the risks and costs of the liquidation of the Albert Company and of the said other companies:

And whereas it may be expedient that the liabilities of the Albert Company and of the said other companies, or some of them, on policies, annuities, and endowments, should not be disposed of as immediate claims in the ordinary course of liquidation, but should be met, subject to any necessary deductions at maturity, and for this purpose that the insurance business of the Albert Company, pending at the date of its liquidation, should be carried on to its natural termination:

And whereas in the ordinary course of liquidation it would be impossible to obtain the assent of the creditors of the said several companies to any scheme of reconstruction or arrangement unless all the said companies were in liquidation, and all the creditors thereof respectively had finally proved their debts:

And whereas it is indispensable for the purpose of settling the aforesaid affairs and reconstructing the Albert Company, or arranging or finally winding up its affairs, that discretion should be placed

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in an arbitrator specially constituted for the purpose, to determine the rights and settle the affairs of the said companies and their creditors, and it is expedient to give power to such arbitrator, if he shall think fit, to settle a scheme for the reconstruction of the Albert Company, and to provide so far as possible for the satisfaction of its pending insurance liabilities in the natural course of maturing, and for the settlement of all matters and questions relating to the affairs of the said companies respectively, as fully and effectually as could be done by Act of Parliament:

And whereas the several purposes aforesaid cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted; and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows; (that is to say,)

Short title.

1. This Act may be cited for all purposes as "The Albert Life Assurance Company Arbitration Act, 1871."

Interpretation.

2. In this Act—

"The Albert Company" means the Albert Life Assurance Company:

"The scheduled companies" means the several companies, associations, societies, or partnerships named in the schedule to this Act, whether legally constituted companies or not:

"The absorbed companies" means the several companies (if any) which have from time to time been directly or indirectly absorbed into or amalgamated or united with any of the scheduled companies:

"Creditor" includes policy holder, annuitant, or endowment holder, and a person claiming or alleged to be a creditor as a policy holder, annuitant, endowment holder, or otherwise:

"Shareholder" includes member, proprietor, or partner, and a person claiming or alleged to be a shareholder, member, proprietor, or partner of or in a company, association, society, or partnership:

"Contributory" includes a person claiming or alleged to be a contributory:

"Creditor," "debtor," "shareholder," and "contributory" respectively include the heirs, executors, administrators, successors, and assigns of a creditor, debtor, shareholder, or contributory:

"Person" includes corporation or body:

"Liability" includes policy, annuity, or endowment, and any liability, present, future, liquidated, contingent, or other, on or in respect of a policy, annuity, or endowment.

Arbitrator.

3. For the purpose of determining the matters by this Act referred to arbitration, the Right Honourable Hugh MacCalmont Baron Cairns is hereby appointed the arbitrator.

Matters referred to arbitrator.

4. The matters by this Act referred to arbitration are the following:

(*a.*) The relative rights, liabilities, and interests of the several scheduled and absorbed companies on the one hand, and of their respective creditors, debtors, shareholders, and contributories on the other hand:

(*b.*) The relative rights, liabilities, and interests of the several scheduled and absorbed companies as between each other:

(*c.*) The claims of the several scheduled and absorbed companies, or their respective creditors, shareholders, and contributories, against any person, and of any person against those several companies in respect of any payment made or anything done or omitted by or on behalf of any of those companies, or by any person in relation to the affairs of any of those companies:

(*d.*) All matters in question as between all parties, in all liquidations of any of the several scheduled and absorbed companies, and in all suits, actions, and proceedings relating to the affairs of those several companies, and every such liquidation, suit, action, and proceeding:

(*e.*) Any claims and matters in question between any present or former shareholder of any of the several scheduled and absorbed companies, and any trustees, directors, or officers of such companies respectively, in respect of any misfeasance, nonfeasance, misappropriation, or otherwise:

(*f.*) Generally the winding-up and final settlement of the affairs of the several scheduled and absorbed companies.

Power to settle the scheme.

5. The arbitrator may, if he thinks fit, settle and award a scheme or schemes for the arrangement, compromise, and final settlement of all or any part or parts of the affairs of the several scheduled and absorbed companies, or any or either of them, and of all or any of the matters by this Act referred to arbitration, and any such scheme or schemes may provide for the matters aforesaid, or any of them, in either of the forms following:

(*a.*) In the form of a reconstruction or reconstitution of the Albert Company, with or without modification, or the incorporation, by registration or otherwise, of that Company, or the con-

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stitution of another company, with, in either of those cases, provisions for the continuance and conduct of all or any branch or part of the insurance and other business of the Albert Company, current at the commencement of its liquidation, to the natural termination of that business, or otherwise;

(*b.*) In the form of a transfer, total or partial, of that business to another company or other companies existing or to be constituted under the directions of any scheme or schemes, or otherwise;

or in any such other form or manner as the arbitrator, in his absolute and unfettered discretion, thinks expedient, and any of such forms adopted may be with or without the payment of surrender values, in all cases in which the arbitrator thinks the same equitable or expedient.

Special powers of arbitrator.

6. The arbitrator shall have power for the purposes of any scheme, or any other purpose of the arbitration, to do all or any of the following things; namely,

(1.) To value and estimate any liabilities or claims, whether present, future, liquidated, contingent, or other:

(2.) To direct the winding-up of any of the scheduled or absorbed companies not in liquidation, in any case in which the Court of Chancery might, in the opinion of the arbitrator, order the same, or in any such case to deal with them, or any of them, as if they were in liquidation:

(3.) To direct such contributions and payments to be made, and in such manner and by such persons or classes of persons and companies as he may think equitable and expedient:

(4.) To make such deductions, present or future, fixed or contingent, from liabilities or claims, and establish such funds, securities, guarantees, trusts, and powers, as appear to him expedient and equitable:

(5.) To take the advice and opinion of actuaries, surveyors, and other experts, and to adopt and act on any such advice or opinion, if and so far as he may think fit.

Power for trustees and others to accept substituted policies, &c.

7. All trustees, executors, and administrators, trustees and assignees in bankruptcy, trustees and inspectors under deeds of arrangement or composition, liquidators and corporations holding or being entitled to or interested in (on any trust or otherwise) any policy, annuity, or endowment granted by any of the scheduled or absorbed companies, and all guardians and committees of infants and lunatics holding or being entitled to or interested in any such policy, annuity, or endowment, may, for the purposes of any scheme

and any other purpose of the arbitration, exercise all powers of consenting, voting, appointing proxies, accepting substituted policies, annuities, and endowments, and submitting to the reduction of the amount of policies, annuities, and endowments, and generally all powers and discretions that would have been exerciseable by them for the purposes of any scheme or any other purpose of the arbitration if they had been individuals entitled in their own right and not under disability, and they shall be by virtue of this Act indemnified in respect thereof; and every substituted or reduced policy, annuity, or endowment shall be by virtue of this Act subject and liable to the same trusts and charges as affect the policy, annuity, or endowment for or from which the same is substituted or reduced, and the same shall by virtue of this Act vest and pass so as to give effect to and not revoke any settlement or testamentary or other disposition of or affecting the policy, annuity, or endowment for or from which the same is substituted or reduced; and the arbitrator may give such directions as he thinks just and expedient for the better execution of this section.

Obligation on trustees and others to accept substituted shares, &c.

8. All trustees, executors, and administrators, trustees and assignees in bankruptcy, trustees and inspectors under deeds of arrangement or composition, liquidators and corporations holding or being entitled to or interested in any share or interest in the capital of the Albert Company, and all guardians and committees of infants and lunatics holding or being entitled to or interested in any such share or interest, shall accept any share or interest allotted to them in lieu thereof under any scheme under this Act, or otherwise by direction of the arbitrator; and any share or interest so allotted shall, by virtue of this Act, vest and pass so as to give effect to and not revoke any settlement or testamentary or other disposition of or affecting the share or interest in lieu of which it is allotted; and the arbitrator may give such directions as he thinks just and expedient for the better execution of this section.

Dealing with assets, special funds, &c.

9. The arbitrator shall have power for the purposes of any scheme, or any other purpose of the arbitration, to get in or direct the getting in, and to apply or distribute, or direct the application or distribution of, or to otherwise deal with all or any part of the assets of any of the several scheduled or absorbed companies, including, if he shall think the same to be just, any guarantee fund, indemnity fund, or other special fund belonging to, held in trust for, or established for any purpose of or relating to any of those companies; and all matters in question as between all parties to any suit pending at the passing of this Act relating to any such fund as aforesaid, and every such suit, shall be comprised among the matters by this Act referred to arbitration.

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General powers of arbitrator.

10. With respect to the authority and jurisdiction of the arbitrator generally, the following provisions shall have effect; (namely,)

(1.) The arbitrator, in addition to the powers and authorities which an arbitrator appointed by consent of parties, or by order of a court or of a judge, has at common law or by statute or otherwise, and in addition to the powers and authorities expressly given to him by this Act, shall have all the powers, authorities, and jurisdiction vested in or exerciseable by the Court of Chancery, or a judge thereof in court or at chambers, in the liquidations of any of the scheduled companies pending at the passing of this Act, and all such powers, authorities, and jurisdiction as would have been vested in or exerciseable by the Court of Chancery, or a judge thereof in court or at chambers, if all the scheduled and absorbed companies had been in liquidation in the Court of Chancery at the passing of this Act:

(2.) The arbitrator may make all such orders and do all such acts and things as the Court of Chancery, or a judge thereof in court or at chambers, might have made or done in any such liquidation as aforesaid:

(3.) Every order, act, and thing so made and done by the arbitrator shall have to all intents the like effect as if it had been made or done by the Court of Chancery, or a judge thereof in court or at chambers, and shall be executed and enforced by all sheriffs and other officers and persons accordingly:

(4.) The arbitrator shall have the like power of appointing an official liquidator or official liquidators for the purposes of any such liquidation as aforesaid as the Court of Chancery has or would have; and an official liquidator appointed by the arbitrator shall have the like powers and authorities, subject to the like restrictions, as an official liquidator appointed by the Court of Chancery:

(5.) For the purposes of this Act, Parts IV. and IX. of the Companies Act, 1862 (relating respectively to winding up and to unregistered companies), and all provisions of that Act relative thereto, and all enactments amending those parts and provisions, shall have effect as if throughout those parts, provisions, and enactments the arbitrator were mentioned instead of the Court of Chancery or a judge thereof:

(6.) The jurisdiction of the arbitrator shall extend to India, and all other parts of Her Majesty's dominions, and the arbi-

trator shall have all the powers, authorities, and jurisdiction vested in or exerciseable by any court in India, or in any other part of Her Majesty's dominions, in respect of the affairs of any of the scheduled and absorbed companies, or of any of the matters by this Act referred to arbitration;

and nothing in this Act shall be construed as restricting the generality of this section.

Terms on which matters to be settled by arbitrator.

11. The arbitrator may settle and determine the matters by this Act referred to arbitration, not only in accordance with the legal or equitable rights of the parties as recognised in the courts of law or equity, but upon such terms and in such manner in all respects as he in his absolute and unfettered discretion may think most fit, equitable, and expedient, and as fully and effectually as could be done by Act of Parliament.

Stay of proceedings.

12. Any liquidation, suit, action, or proceeding which at the passing of this Act is pending in or under appeal from any court of law or equity in respect of any of the matters by this Act referred to arbitration shall not be carried on after the passing of this Act otherwise than before the arbitrator, except with the leave of the arbitrator, and subject to such terms and conditions as he may impose.

Prohibition of actions, &c.

13. No suit, action, or proceeding shall, after the passing of this Act, and pending the arbitration, be instituted, brought, or taken in respect of any of the matters by this Act referred to arbitration, except by the direction of the arbitrator, and subject to such terms and conditions as he may impose.

Payment and delivery of money, securities, &c.

14. All money and securities under the control of the Court of Chancery in any of the liquidations of any of the scheduled companies pending at the passing of this Act, or of any of the liquidators therein, and all books, papers, and documents relating to any of those liquidations in the possession, custody, or control of any of the liquidators therein, shall on the passing of this Act be paid and delivered up to the arbitrator, or as he directs.

Liquidators to take proceedings.

15. The liquidators of such of the several scheduled companies as are in liquidation shall take such steps and proceedings and do all such things, in the Court of Chancery or elsewhere, with reference to the matters by this Act referred to arbitration, as the arbitrator directs.

Power to direct proceeding.

16. The arbitrator may allow or direct any proceeding pending at the passing of this Act to proceed to judgment or such other stage as he may think fit, and may direct any new proceeding to

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be taken and to proceed to judgment or such other stage as he may think fit.

Arbitrator may adopt judgment, certificate, &c., given or made previous to or pending the passing of this Act.

17. The arbitrator may in his discretion adopt any judgment, verdict, decree, order, or certificate made in any proceeding pending at the passing of this Act, or directed or allowed by him to be taken, and may adopt and avail himself of any such proceeding, and of any evidence taken therein, as he may think fit, and may make any award or order in pursuance either wholly or partially of any such judgment, verdict, decree, order, certificate, or proceeding, or may award or order that any proceeding be carried on as if this Act had not been passed, and may make his final award without awaiting the termination of the proceeding.

Power of arbitrator to make rules, &c.

18. The arbitrator may make and vary such general rules, regulations, and orders as he may from time to time think fit as to parties, mode of procedure, notices, evidence, or costs.

Power of arbitrator to make orders, &c.

19. The arbitrator may from time to time make any certificate, award, order, or other instrument touching any one or more of the questions, matters, or things before him, and may by any subsequent certificate, award, order, or other instrument supplement or vary any previous certificate, award, order, or other instrument, and shall, within one year after the passing of this Act, or within such extended period as he shall by writing under his hand from time to time appoint for that purpose, make a final award for the settlement of all matters by this Act referred to arbitration.

Signature of arbitrator sufficient to authenticate orders, &c.

20. All awards, orders, certificates, or other instruments made by or proceeding from the arbitrator shall be sufficiently authenticated if under his hand, and may be in writing or print, or partly in writing and partly in print, and all courts shall take judicial notice of his signature; and any notice issued by the arbitrator, or any award, order, certificate, or other instrument made by or proceeding from him, shall, if he so directs, be published in the London Gazette or in any other official Gazette or like publication published in any part of Her Majesty's dominions.

Certificates, &c. made by arbitrator to be binding.

21. All awards, orders, certificates, or other instruments made by or proceeding from the arbitrator shall be binding and conclusive on all parties to all intents and purposes whatsoever, and shall not be removed or removable by certiorari, or by other writ or process, into any of Her Majesty's courts of law or equity, and the proceedings or acts of the arbitrator shall not be liable to be interfered with by any court of law or equity by way of mandamus, prohibition, injunction, or otherwise, and no such award, order, certificate, or other instrument shall be set aside for any irregularity or informality,

or by reason of any matter referred being left undecided, and no such award, order, certificate, or other instrument shall be subject to review or appeal, or be liable to be questioned on any ground before or after the making of the final award in any court of law or equity, or elsewhere, by any proceeding against any of the scheduled or absorbed companies, or against the arbitrator, or otherwise.

Proceedings before arbitrator, &c.

22. Applications to the arbitrator shall be made in such manner and form, and shall be heard and disposed of on the attendance of or notice to such parties or persons chosen as representatives of such parties on such written or other statements and on such evidence, as the arbitrator, by general regulations or otherwise, may from time to time direct, and the costs of any such applications, and of all proceedings before the arbitrator, or under his authority or otherwise, under this Act, shall be in the discretion of the arbitrator, who may direct to or by whom or out of what fund the same shall be paid, and the opinion or decision of the arbitrator on any such application or with respect to the costs thereof, or on any matter or thing within his jurisdiction, shall not be subject to review or appeal, and the amount of such costs may be ascertained by the arbitrator, or by taxation in the Court of Chancery, or otherwise, as he directs.

Awards to be enrolled.

23. All awards made in pursuance of this Act shall be enrolled in the High Court of Chancery within three months after the execution thereof; and a copy of any such award certified by the proper officer of the enrolment office of the court, or a copy of any such award printed by the Queen's printers, shall be evidence of the contents of the award, and that it was duly made, and that all the requisitions of this Act in relation thereto were complied with, and notice of the making of every such award shall be given in the London Gazette.

Award to have effect of Act.

24. All awards made by the arbitrator shall from the date thereof respectively be effectual to all intents and purposes, and binding upon all corporations and persons whomsoever without appeal, and shall have the like effect as if the same had been enacted by Parliament.

Power of arbitrator to appoint clerks, &c.

25. The arbitrator may appoint and employ any assessor, examiner, secretary, and clerks, and other officers, for the purposes of this Act, and fix their remuneration, and determine and direct out of what funds the same shall be paid.

Expenses of reconstruction committee.

26. The arbitrator may direct the ascertainment and payment in such manner and to such extent as he thinks fit of all or any part of the expenses incurred by or on behalf of the committee of policy holders, shareholders, and annuitants of the Albert Company, and

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four other scheduled companies, in or in relation to the discharge and exercise of the duties and powers of that committee.

Taxation of costs.

27. The arbitrator may refer for taxation to one of the taxing masters of the Court of Chancery all bills of costs and accounts of allowances and remuneration and other charges of solicitors, liquidators, and others claimed against any of the scheduled companies, or any of their shareholders or contributories, in respect of the liquidation of any of those companies, or otherwise in respect of any matter pending at the passing of this Act in relation to those companies, or any of them, and the taxing master to whom the same are referred shall (subject to any directions of the arbitrator) tax those bills and accounts as if they had been referred for taxation by the Court of Chancery, and shall report on the same to the arbitrator, if so required by him.

Expenses of arbitration and remuneration of arbitrator.

28. The expenses of the arbitration (including a sum of not less than two thousand pounds to the arbitrator for his personal trouble) shall be determined by the arbitrator, and paid in such manner as he shall direct.

Should arbitrator die or be unable to act, another may be appointed.

29. If the arbitrator dies, resigns, or from any cause becomes incapable of acting or unwilling to act, an arbitrator shall be appointed in his place by the Lord High Chancellor of England for the time being, such last-mentioned arbitrator being a person who shall fill or have filled the office of a judge of one of the superior courts of law or equity in the United Kingdom, or is a member of the Judicial Committee of the Privy Council, and the provisions of this Act relating to the arbitrator shall extend to any person so appointed, and this section shall be put in force from time to time as occasion may require.

Costs of Act.

30. All costs, charges, and expenses preliminary to and of and incident to the preparing of, applying for, obtaining, and passing of this Act shall be paid out of such funds, at such times, and in such manner as the arbitrator shall direct.

The SCHEDULE before referred to.

The Albert Life Assurance Company.
The Western Life Assurance Society.
The Bank of London and National Provincial Insurance Association.
The Family Endowment Life Assurance and Annuity Society.
The Medical, Invalid, and General Life Assurance Society.
The National Guardian Assurance Society.
The Times Life Assurance and Guarantee Company.
The Beacon Life and Fire Assurance Company.
The Kent Mutual Assurance Society.
The Indian Laudable Mutual Life Assurance Society.
The Metropolitan Counties and General Life Assurance, Annuity, Loan, and Investment Society.
The St. George Assurance Company.
The London and Continental Assurance Company.
The Manchester and London Life Assurance Association.
The National Provincial Life Assurance Society.
The Merchants' and Tradesman's Mutual Life Assurance Society.
The Anchor Assurance Company.
The Falcon Life Assurance Society.
The Empire Assurance Company.
The New Oriental Life Assurance Company.

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