CHAPTER 8.

An Act to consolidate and amend the law relating to Industrial Assurance, and to make provision with respect to war bond policies and policies to which the Courts (Emergency Powers) Act, 1914, applies, and bond investment business.

[7th June 1923.]

BE it enacted by the King'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:—

Industrial Assurance Business.

Industrial assurance business. 9 Edw. 7. c. 49.

1.—(1) Industrial assurance business shall not be carried on except by a registered friendly society or by an assurance company within the meaning of the Assurance Companies Act, 1909, which is either registered under the Companies Acts, or the Industrial and Provident Societies Acts, 1893 to 1913, or incorporated by special Act, and a registered friendly society which carries on such business is in this Act referred to as a collecting society and an assurance company which carries on such business is in this Act referred to as an industrial assurance company:

Provided that, where an industrial assurance company carries on both industrial assurance business and other business, nothing in this Act shall, save as otherwise expressly provided, apply to any of the business of the company other than the industrial assurance business.

(2) For the purposes of this Act, "industrial assurance business" means the business of effecting assurances upon human life premiums in respect of which are received by means of collectors:

Provided that such business shall not include—

(*a*) assurances the premiums in respect of which are payable at intervals of two months or more;

(*b*) assurances effected whether before or after the passing of this Act by a society or company established before the date of the passing of this Act which at that date had no assurances outstanding the premiums on which were payable at intervals of less than one month so long as the society or company continues not to effect any such assurances;

(*c*) assurances effected before the passing of this Act, premiums in respect of which are payable at intervals of one month or upwards, and which have up to the commencement of this Act been treated as part of the business transacted by a branch other than the industrial branch of the society or company;

(*d*) assurances for twenty-five pounds or upwards effected after the passing of this Act, premiums in respect of which are payable at intervals of one month or upwards, and which are treated as part of the business transacted by a branch other than the industrial branch of the society or company, in cases where the Commissioner hereinafter mentioned certifies that the terms and conditions of such assurances are on the whole not less favourable to the assured than those imposed by this Act.

(3) When a society or company has ceased to effect industrial assurances, it shall, so long as it continues liable on the assurances previously effected, be deemed to carry on industrial assurance business.

Industrial Assurance Commissioner.

2.—(1) The Chief Registrar of Friendly Societies shall be the authority charged with such powers and duties in relation to industrial assurance as are conferred and imposed upon him by this Act, and in that capacity and in the exercise and performance of the powers and duties of the Chief Registrar of Friendly Societies under the Friendly Societies Acts, 1896 and 1908, in relation to collecting societies he shall, as from the passing of this Act, be known as and styled the Industrial Assurance Commissioner, and is in this Act referred to as the Commissioner, and anything which under the Friendly

59 & 60 Vict. c. 25.
8 Edw. 7. c. 32.

Societies Acts, 1896 and 1908, is authorised or required to be done by, to or before the central office or the registrar or an assistant registrar shall, where the society is a collecting society, be done by, to or before the Commissioner.

(2) Anything which under this Act is required or authorised to be done by, to or before the Commissioner may be done by, to or before such person as he may appoint for the purpose.

Purposes for which policies may be issued.

3. Amongst the purposes for which collecting societies and industrial assurance companies may issue policies of assurance there shall be included insuring money to be paid for the funeral expenses of a parent, child, grandparent, grandchild, brother, or sister, and the issuing of such policies shall be treated as part of the industrial assurance business of the society or company.

Assurances on children's lives.

4.—(1) The provisions of sections sixty-two and sixty-four to sixty-seven of the Friendly Societies Act, 1896, relating to payments on the death of children shall extend to industrial assurance companies as if those provisions were herein re-enacted, and in terms made applicable to industrial assurance companies. Except that there shall be substituted for the words "of six pounds " for children under five years of age and ten pounds for " children under ten years of age" the following: "six " pounds for children under three years of age, ten " pounds for children up to six years of age, and fifteen " pounds for children up to ten years of age."

(2) A collecting society or an industrial assurance company shall not pay any sum on the death of a child under ten years of age except to the person who took out the policy on the life of the child, being the parent, grandparent, brother or sister of the child, or to the personal representative of that person, nor except upon production by the person claiming payment of a certificate of death issued by the registrar of deaths, or other person having the care of the register of deaths, containing the particulars mentioned in section sixty-four of the Friendly Societies Act, 1896:

Provided that, where there is no personal representative of the person who took out the policy, the payment

may be made to such one of the next of kin of that person as proves that he has defrayed, or undertakes to defray, the funeral expenses of the child.

(3) The provisions of this section shall extend to assurances by industrial assurance companies premiums in respect of which are payable at intervals of two months or more.

(4) Section sixty-three of the Friendly Societies Act, 1896, shall cease to apply to collecting societies.

Prohibition on issue of illegal policies.

5.—(1) Any collecting society or industrial assurance company which issues policies of industrial assurance which are illegal or are not within the legal powers of the society or company shall be held to have made default in complying with the provisions of this Act, and, where any such policy has been issued, the society or company shall, without prejudice to any other penalty, be liable to pay to the owner of the policy a sum equal to the surrender value of the policy (to be ascertained in manner hereinafter provided), or, if the policy was issued after the commencement of this Act, a sum equal to the amount of the premiums paid, unless it is proved that owing to any false representation on the part of the proposer, the society or company did not know that the policy was illegal or beyond their legal powers.

(2) No collector of, or person employed by, a society or company shall knowingly assist in effecting a policy of industrial assurance which is illegal or not within the legal powers of the society or company.

Special Provisions as to Collecting Societies.

Name of collecting societies.

6. In the case of any collecting society registered after the thirty-first day of December, eighteen hundred and ninety-five, or of a society which becomes a collecting society after the passing of this Act, the last words in the name of the society shall be "collecting society," and the society shall use its registered name on all documents issued by it and no other name.

Deposits by collecting societies.

7.—(1) Every collecting society shall be under the like obligation to deposit and keep deposited the sum of twenty thousand pounds as an industrial assurance company, and section two of the Assurance Companies Act,

1909, as applied by this Act to industrial assurance companies, shall apply accordingly, subject in its application to collecting societies to the following modifications:—

(*a*) For references to the Board of Trade, there shall be substituted references to the Commissioner:

(*b*) Subsection (3) shall not apply:

(*c*) In the case of a society registered and carrying on industrial assurance business at the passing of this Act, the deposit shall be made before the commencement of this Act; but in any particular case the Commissioner shall, if satisfied as to the financial position of the society at the time of the passing of this Act, postpone the time for making the deposit to some time within five years after the commencement of this Act, and shall, on the application of the society from time to time, further postpone the time for making the deposit if he is still satisfied as to the financial position of the society, but not for more than five years at any one time:

(*d*) In the case of a society commencing to carry on industrial assurance business after the passing of this Act, the deposit shall be made before the society commences to carry on such business:

(*e*) In the case of a society applying after the passing of this Act for registry under the Friendly Societies Act, 1896, or for the registry of amendments of its rules, if the proposed rules of the society or the proposed amendments are such as will enable the society to carry on industrial assurance business, the Commissioner shall not issue to the society an acknowledgment of registry of the society or of amendment of rules, as the case may be, until the deposit has been made:

(*f*) A collecting society shall not be required to make a deposit in respect of any business other than industrial assurance business, but, subject as aforesaid, subsection (4) of the said section shall apply.

(2) If a society feel aggrieved at a refusal of the Commissioner to allow further time for making a deposit

under paragraph (*c*) of subsection (1) of this section, the society may, with the leave of the court, appeal to the High Court or, in the case of a society registered in Scotland, to the Court of Session.

(3) If the Commissioner is satisfied that a collecting society has made default in complying with the provisions of this section, the Commissioner may award that the society be dissolved and its affairs wound up.

(4) This section, so far as it relates to a society commencing to carry on industrial assurance business or applying for registration or for registration of an amendment of rules enabling it to carry on industrial assurance business after the passing of this Act, shall come into operation on the passing of this Act.

(5) Where the rules of a collecting society (hereinafter in this subsection referred to as a subsidiary society), whether registered before or after the passing of this Act, provide that the management of that society shall be vested in the committee of management of some other friendly society (hereinafter in this subsection referred to as the principal society) which was registered before the fourth day of August, nineteen hundred and twenty-one, then—

(*a*) the principal society may make on behalf of the subsidiary society the deposit required to be made by this section and may apply any of its funds for that purpose, and in that case the interest on the deposit, or the securities in which the deposit is for the time being invested, shall be paid to the principal society and not to the subsidiary society; or

(*b*) the principal society may guarantee the liabilities of the industrial assurance fund of the subsidiary society to the extent of twenty thousand pounds in such manner and subject to such amendment of rules as the Commissioner may require, and the principal society may amend its rules accordingly; and if the Commissioner is satisfied with such guarantee he may accept the guarantee in lieu of the deposit required by this section.

Where the principal society is a society with branches, the rules of the society may provide for the central body

of the society borrowing from the branches and the branches lending to the central body funds required for making such a deposit as aforesaid.

Provisions to be contained in rules.

8.—(1) The rules of a collecting society shall provide—

(*a*) for a separate account being kept of all receipts in respect of the industrial assurance business transacted by the society, and for those receipts being carried to and forming a separate fund under the name of the industrial assurance fund; but nothing in this provision shall be construed as requiring the investments of the industrial assurance fund to be kept separate from the other investments of the society;

(*b*) for the industrial assurance fund being as absolutely the security of the owners of the industrial assurance policies as though it belonged to a society carrying on no business other than industrial assurance business, and not being liable for any contracts of the society for which it would not have been liable had the business of the society been only that of industrial assurance, and not being applied directly or indirectly for any purposes other than those of the industrial assurance business of the society, so however as not to affect the liability of that fund to the prejudice of persons interested in contracts entered into by the society before the fourteenth day of February, nineteen hundred and twenty-three;

(*c*) for separate valuations being made of the industrial assurance business of the society.

(2) Save as otherwise provided by the rules of a collecting society, being rules registered before the fourth day of August, nineteen hundred and twenty-one—

(*a*) the rules of a collecting society shall contain the tables in accordance with which policies of industrial assurance are issued by the society; and

(*b*) no policy shall be issued by a collecting society otherwise than in accordance with the rules of the society and with the tables for the time being in force as set forth in those rules.

(3) Such of the provisions of this Act as are mentioned in the First Schedule to this Act shall be set forth in the rules of every collecting society.

Obligation to deliver policies and copies of rules.

9.—(1) A collecting society shall deliver free of charge to every person on his becoming a member of or insuring with the society a printed policy signed by two of the committee of management and by the secretary, together with a copy of the rules of the society in force at the time:

Provided that—

(*a*) in the case of a family enrolled in one book or card, one family policy and one copy of the rules shall be sufficient;

(*b*) if the rules of the society in force at the time of the issue of the policy are printed in easily legible type on the policy, it shall not be necessary to deliver a copy of the rules in addition to the policy.

(2) A collecting society shall also supply to any such person at his request free of charge a copy of any subsequent amendment of the rules of the society.

(3) A collecting society shall also deliver to any member or other person on demand and on payment of a sum not exceeding one shilling, a copy of the rules of the society in force at the time.

Exemptions, total and partial.

10.—(1) The Commissioner may, on the application of a society registered or applying for registry, grant to the society a certificate of exemption from all or any of the provisions of this Act, in any case where he is satisfied that the society does not or will not carry on the business of effecting assurances upon human life, premiums in respect of which are received by means of collectors at a greater distance than ten miles from the registered office of the society, and where he is of opinion that the society is not one to which those provisions ought to apply.

(2) A certificate of exemption under this section shall be granted subject to the condition that the society will not employ collectors to receive premiums on policies issued by the society at a greater distance than ten miles from the registered office of the society, and, if in the case of any society to which a certificate of exemption has

been so granted, the said condition is at any time not complied with, the society and any collector so employed shall be deemed to have contravened the provisions of this Act, and this Act shall be deemed as from the date of such non-compliance to have applied to the society as if no such certificate of exemption had been granted to it.

(3) The certificate shall be subject to revocation by the Commissioner, but shall remain in force until so revoked, and until notice of the revocation has been advertised in the Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society, and also transmitted by registered letter to the society.

(4) Where at the commencement of this Act there is in force a certificate of exemption issued under section eleven of the Collecting Societies and Industrial Assurance Companies Act, 1896, or the corresponding provision of any Act repealed by that Act, the certificate shall, after the commencement of this Act, continue in force until revoked and have effect as if it were a certificate issued under this section exempting the society from all the provisions of this Act. 59 & 60 Vict. c. 26.

Special provision as to juvenile societies.

11.—(1) Where a juvenile society within the meaning of this section established before the passing of this Act has been accustomed to receive contributions from its members by means of collectors, the provisions of this Act shall not apply to the society before the first day of January, nineteen hundred and twenty-five, and, if any such society is or has before that date become registered, the Commissioner may, if he considers that the society is one to which the provisions of this Act ought not to apply, grant to the society a certificate of exemption from the provisions of this Act subject to the like power of revocation as in the case of certificates of exemption granted under the last preceding section.

(2) For the purposes of this section, "juvenile society" means a friendly society or branch thereof, whether registered or unregistered, admission to membership whereof is by its rules limited to persons under eighteen years of age, and which satisfies the Commissioner that it is established for the purpose of recruiting members for another friendly society or for the society of which it is a branch.

Special Provisions as to Industrial Assurance Companies.

Application of Act of 1909 to industrial assurance companies.

12.—(1) Industrial assurance business shall, for the purposes of the Assurance Companies Act, 1909, be treated as a separate class of assurance business, and accordingly a separate deposit shall be made in respect of that business as required by section two of that Act.

(2) In relation to industrial assurance business, anything which under the Assurance Companies Act, 1909, is required or authorised to be done to, by, or with the Board of Trade or the President of the Board of Trade shall or may be done to, by, or with the Commissioner and the provisions of that Act shall have effect accordingly:

Provided that, where the company transacts other business besides that of industrial assurance business, nothing in this subsection shall affect the powers and duties of the Board of Trade or the President of the Board of Trade under the said Act in relation to that other class of business; and, where any document required under the said Act to be sent to the Board of Trade relates both to industrial assurance business and to other assurance business, the document shall be sent both to the Commissioner and to the Board of Trade.

(3) In its application to industrial assurance business the Assurance Companies Act, 1909, shall have effect subject to the following modifications:—

(*a*) The provisions relating to life assurance business shall apply also to industrial assurance business with the substitution of references to "industrial assurance business" and "the industrial assurance fund" for references to "life assurance business" and "the life assurance fund":

(*b*) Where any expenses of management, or interest or dividends from investments, or sums on account of depreciation of securities, are apportioned between the industrial assurance business and any other business transacted by the company the auditor shall include in his report a special report as to the propriety or otherwise of the apportionment:

(*c*) A copy of every report of the auditor of the company shall be furnished to the Commissioner:

(*d*) The Commissioner may refuse to issue a warrant for a deposit under section two of the said Act if he considers that it is inexpedient that the company should be authorised to carry on industrial assurance business, but in the case of such refusal the company may appeal to the court, and the Commissioner shall be entitled to appear and be heard on any such appeal:

(*e*) On a petition under section thirteen of the said Act (which relates to the amalgamation of companies and the transfer of business from one company to another) the Commissioner shall be entitled to be heard, and on any such hearing the Commissioner may apply to the court to exercise its powers under paragraph (*b*) of subsection (3) of that section of directing that the requirements of that paragraph shall be dispensed with or modified:

(*f*) On any such petition, any class of persons (including employees of any company concerned) who allege that they are adversely affected by the amalgamation or transfer, shall be entitled to appear and to be heard:

(*g*) The independent actuary referred to in paragraph (*b*) of subsection (3) of the said section thirteen shall be appointed by the President of the Institute of Actuaries or by the President of the Faculty of Actuaries in Scotland on the application of the Commissioner and shall make his report to the Commissioner, by whom copies thereof shall be sent to each company concerned in the amalgamation or transfer, and each such company shall, unless the court otherwise directs, transmit copies thereof to the owner of each policy of the company in manner provided by that section:

(*h*) The said section thirteen shall apply to any transfer from one company to another, howsoever effected, of the liabilities or of any of the liabilities arising in respect of industrial assurance business in like manner as if such transfer were a transfer of the industrial assurance business.

Prohibition of charges on industrial assurance fund.

13. An industrial assurance company shall not, after the commencement of this Act, issue any debentures or debenture stock, or raise any loan, charged or purporting to be charged on any assets of the company in which the industrial assurance fund is invested, and any such charge shall be void:

Provided that this section shall not apply to a temporary bank overdraft.

Act to have effect notwithstanding memorandum, articles or special Act.

14. The provisions of this Act shall have effect notwithstanding anything in the memorandum or articles of association or rules or special Act of any industrial assurance company:

Provided that nothing in this Act shall affect the liability of the industrial assurance fund or of the life assurance fund in the case of a company established before the commencement of this Act to the prejudice of persons interested in contracts entered into by the company before that date.

Accounts, Returns, Inspection, Valuations, Meetings.

Balance sheets and audit.

15.—(1) A copy of every balance sheet of a collecting society shall, during the seven days next preceding the meeting at which the balance sheet is to be presented, be kept open by the society for inspection at every office at which the business of the society is carried on, and shall be delivered or sent by post to any member or person interested in the funds of the society, on demand.

(2) The audit of accounts required by section twenty-six of the Friendly Societies Act, 1896, shall, in the case of a collecting society, be made by a public auditor appointed under that Act, and, if such accounts have not been so audited, the provisions of section twenty-seven of that Act requiring an annual return of the receipts, expenditure, funds and effects of the society as audited shall be deemed not to have been complied with.

Annual accounts and returns.

16.—(1) The Commissioner, after considering any representations made by or on behalf of the society or company affected, may, if it appears to him that any account, return, or balance sheet sent by a collecting society or an industrial assurance company in pursuance of the Friendly Societies Act, 1896, or the Assurance Companies Act, 1909, is in any particular incomplete or incorrect, or does not comply with the requirements of

the Act applicable to the case, reject the account, return, or balance sheet and give such directions as he thinks necessary for the variation thereof.

(2) Where any direction so given entails a consequential alteration of any account, return, or balance sheet sent by an industrial assurance company to the Board of Trade, it shall be the duty of the company to make such consequential alteration therein.

Inspection.

17.—(1) If, in the case of any collecting society or industrial assurance company, in the opinion of the Commissioner there is reasonable cause to believe that an offence against this Act or against the Friendly Societies Act, 1896, or the Assurance Companies Act, 1909, has been, or is likely to be committed, the Commissioner or any inspector appointed by him for the purpose shall have power to examine into and report on the affairs of the society or company, and for that purpose may exercise in respect of the society or company all or any of the powers given by subsection (5) of section seventy-six of the Friendly Societies Act, 1896, to an inspector appointed under that section.

(2) On himself holding such an inspection or on receiving the report of an inspector so appointed the Commissioner may issue such directions and take such steps as he considers necessary or proper to deal with the situation disclosed therein and in particular may in the case of a society award that the society be dissolved and its affairs wound up, and in the case of a company may present a petition to the court for the winding up of the company.

(3) The Commissioner may, if he considers it just, direct that all or any of the expenses of and incidental or preliminary to an inspection under this section shall be defrayed out of the funds of the society or company, or by the officers or former officers, or members or former members of the committee of management or board of directors of the society or company, or any of them in such proportions as the Commissioner directs and sums directed by him to be so paid shall be recoverable by him summarily as a civil debt: Provided that any society or company or person directed to pay any part of such expenses may, with the leave of the court, appeal against the direction to the High Court, or in the case of a society or company registered in Scotland to the Court of Session.

(4) This section shall come into operation on the passing of this Act.

Provisions as to valuations.

18.—(1) In the case of a collecting society or industrial assurance company, the following provisions shall have effect with regard to every valuation made as at the thirty-first day of December, nineteen hundred and twenty-four, or any later date:—

(*a*) The valuation shall be made by an actuary as defined by the Assurance Companies Act, 1909, as modified by this Act;

(*b*) The basis of valuation adopted shall be such as to place a proper value upon the liabilities, regard being had to the mortality experience among the persons whose lives have been assured in the society or company, to the average rate of interest from investments and to the expenses of management (including commission), and shall be such as to secure that no policy shall be treated as an asset;

(*c*) The report containing the abstract of the result of the valuation required by section twenty-eight of the Friendly Societies Act, 1896, to be sent shall be sent by a collecting society to the Commissioner within twelve months after the close of the period to which the valuation relates, and shall contain a statement as to how the values of stock exchange securities (if any) included in the balance sheet are arrived at, and a certificate, signed by the same persons as sign the balance sheet, to the effect that in their belief the assets set forth in the balance sheet are in the aggregate fully of the value stated therein less any investment reserve fund taken into account;

(*d*) Where the balance sheet of a society or company includes amongst the assets thereof any sums representing expenses of organisation or extension, or the purchase of business or good will, and the amount of the assets, exclusive of such sums (after deducting debts due by the society or company other than debentures and loans), is less than the amount of the industrial assurance fund, or, as the case may be, of the several assurance and insurance funds as shown in that balance sheet, the amount of the

industrial assurance fund shown in the valuation balance sheet shall be reduced by the amount of the deficiency, or, as the case may be, by a sum bearing such proportion to that deficiency as the amount of the industrial assurance fund shown in the first-mentioned balance sheet bears to the aggregate amount of all the assurance and insurance funds so shown :

Provided that in the cases hereinafter mentioned this paragraph shall, during such periods as are hereinafter mentioned, apply to societies and companies subject to such relaxations of the stringency of the provisions thereof as the Commissioner may think just; that is to say—

(i) in the case of a society or company in the balance sheet of which last issued before the passing of this Act any such sums as aforesaid were included, for a period of seven years after the passing of this Act;

(ii) in the case of a society or company which, after the date as at which the balance sheet last issued before the passing of this Act was made up, has under an amalgamation or transfer of engagements become liable for the engagements of any other society or company and has in consideration thereof accepted assets which include any such sums as aforesaid, or has in connection therewith incurred expenditure by way of purchase of business or good will, for a period of seven years after the thirty-first day of December next following the date of amalgamation or transfer of engagements;

(*e*) Where debentures have been issued or loans raised which are charged on any of the assets of the company in which the industrial assurance fund is invested, there shall be inserted in the valuation balance sheet a note giving the particulars of the charge and stating that the result shown by the valuation is subject to the liability under the charge;

(*f*) The Commissioner, if satisfied on any valuation that any of the foregoing provisions of this section have not been complied with, or that the industrial assurance fund as stated in the valuation balance sheet is greater than the value of the assets available for the liabilities of that fund, due regard being had to the other liabilities of the society or company and to the foregoing provisions of this section, may reject the valuation, and may direct the society or company to make such alteration therein as may be necessary to secure compliance with those provisions:

Provided that the society or company may appeal to the High Court, or in the case of a society or company registered in Scotland to the Court of Session, against any decision of the Commissioner under this paragraph;

(*g*) The Commissioner may direct any collecting society or industrial assurance company to furnish to him, in addition to such information as the society is required to furnish under section twenty-eight of the Friendly Societies Act, 1896, or the company is required to furnish under the Assurance Companies Act, 1909, all or any of such particulars as are mentioned in the Second Schedule to this Act, and such explanations as he may consider necessary in order to satisfy himself whether the valuation complies with the provisions of this section.

(2) Notwithstanding anything in section twenty-eight of the Friendly Societies Act, 1896, or section five of the Assurance Companies Act, 1909, the first valuation under this Act shall, in the case of any collecting society and industrial assurance company, be made as at a date not later than the thirty-first day of December, nineteen hundred and twenty-five.

(3) If in the case of a collecting society or industrial assurance company a valuation, whether made before or after the passing of this Act, discloses a deficiency, the Commissioner may, if after investigation he is satisfied that the society or company should cease to carry on industrial assurance business, award that the society be dissolved and its affairs wound up, or, in the case of a

company; present a petition to the court for the winding-up of the company:

Provided that the Commissioner shall not, during the first five years after the passing of this Act, take action under this subsection if he is satisfied that substantial measures are being taken to improve the financial condition of the society or company.

General meetings.

19.—(1) At least one general meeting of every collecting society and industrial assurance company shall be held in every year.

(2) Except where the day, hour, and place of an annual or other periodical meeting is fixed by the rules, notice of every general meeting shall either be given by the society or company to the members by advertisement to be published at least twice in two or more of the newspapers in general circulation in every county where the society or company carries on business, or be served upon every member.

(3) The notice shall specify the day, hour, and place, and the objects of the meeting, and, in case any amendment of a rule is intended to be proposed, shall contain a copy of every such amendment.

(4) The society or company shall publish the last of such advertisements, or serve such notice as aforesaid, at least fourteen days before the day appointed for the meeting, and shall, during those fourteen days, keep a copy of the notice in legible characters affixed in some conspicuous place in or outside every office at which the business of the society or company is carried on.

Rights of Owners of Policies.

Provisions as to proposals for policies.

20.—(1) Every proposal for an industrial assurance policy shall, except—

(*a*) where the policy is taken out on the life and on behalf of a child under the age of sixteen; or

(*b*) where the policy assures a payment of money for the funeral expenses of parent, child, grandparent, grandchild, brother, or sister; or

(*c*) where the person whose life is to be assured under the policy is a person in whom the proposer has an insurable interest;

contain a declaration by the person whose life is to be assured that the policy is to be taken out by him, and that the premiums thereon are to be paid by him.

Where the person whose life is to be assured under the policy is a person in whom the proposer has an insurable interest, the proposal shall contain a statement of the nature of that interest.

(2) A collecting society or industrial insurance company shall not, nor shall any collector or agent of such a society or company, issue a proposal form or accept a proposal which does not comply with the foregoing provisions of this section.

(3) If the proposal contains a statement that the person whose life is proposed to be assured is not at the time of making the proposal a person on whose life another policy has been issued by the society or company, and a policy is issued in pursuance of the proposal, the society or company shall be liable under the policy, notwithstanding that the statement is not true, and the truth of the statement is made a condition of the policy.

(4) If a proposal form for an industrial assurance policy is filled in wholly or partly by a person employed by the society or company, the society or company shall not, except where a fraudulent statement in some material particular has been made by the proposer, be entitled to question the validity of the policy founded on the proposal on the ground of any misstatement contained in the proposal form:

Provided that—

(*a*) if the proposal form contains a misstatement as to the age of the person whose life is proposed to be assured, the society or company may so adjust the terms of the policy, or of any policy which may be issued in substitution or in lieu thereof, as to make them correspond with the terms which would have been applicable if the correct age of the person had been originally inserted in the proposal;

(*b*) where but for this subsection the validity of a policy could have been questioned on the ground of any misstatement in the proposal form relating to the state of health of the

person upon whose life the assurance is to be taken out at the date of the proposal, nothing in this subsection shall prevent such a question being raised, if raised within two years from the date of the issue of the policy founded on the proposal.

Forms of policies.

21.—(1) A policy of industrial assurance issued after the commencement of this Act shall set out the provisions of this Act mentioned in the Third Schedule to this Act, such of those provisions as are contained in Part II. of that Schedule being printed in distinctive type, and in the case of a policy on the life of a child under ten years of age shall also set out in distinctive type a statement of the effect of section sixty-two of the Friendly Societies Act, 1896:

Provided that the policy may, if the Commissioner consents, in lieu of setting out the said provisions of this Act, contain a statement which, in the opinion of the Commissioner, sufficiently sets forth the effect of those provisions.

(2) Where a policy of industrial assurance issued after the commencement of this Act does not comply with the provisions of this section, the society or company effecting the insurance shall be guilty of an offence against this Act, and shall, without prejudice to any other liability be liable to pay to the person by whom the premiums have usually been paid a sum equal to the amount of the premiums paid, which sum shall be recoverable summarily as a civil debt.

Return of policies and premium receipt books after inspection.

22. If at any time a collecting society or industrial assurance company, or any person employed by such a society or company, take possession of a policy or premium receipt book or other document issued in connection with a policy, a receipt shall be given, and the policy book or document shall be returned to the owner of the policy within twenty-one days, unless the policy has been terminated by reason of satisfaction of all claims capable of arising thereunder:

Provided that, where possession is taken of a policy, book or document for the purpose of legal proceedings to be taken by the society or company that issued the policy against a collector, it shall be lawful for the

society or company to retain the policy, book or document so long as may be necessary for the purposes of those proceedings, but in that case if the policy, book or document is retained for more than twenty-one days, the society or company shall supply to the owner of the policy, a copy thereof certified by the society or company to be a true copy.

Notice before forfeiture.

23.—(1) A forfeiture shall not be incurred by any member or person assured in a collecting society or industrial assurance company by reason of any default in paying any premium until after—

(*a*) notice stating the amount due from him, and informing him that in case of default of payment by him within twenty-eight days and at a place to be specified in the notice his interest or benefit will be forfeited, has been served upon him by or on behalf of the society or company; and

(*b*) default has been made by him in paying any premium in accordance with that notice.

(2) This section shall extend to contracts of assurance effected by a collecting society before the commencement of this Act which are not contracts of industrial assurance within the meaning of this Act.

Provisions as to forfeited policies.

24.—(1) Where notice of the forfeiture of a policy of industrial assurance by reason of default in the payment of any premium thereunder has been served on the owner of the policy, then if the policy—

(*a*) is a policy for the whole term of life or for a term of fifty years or upwards, the person whose life is assured under which is a person who is at the time of such default over fifteen years of age, and upon which not less than five years' premiums have been paid; or

(*b*) is a policy for a term of twenty-five years or upwards, but less than fifty years, upon which not less than five years' premiums have been paid; or

(*c*) is a policy for a term of less than twenty-five years upon which not less than three years' premiums have been paid;

the owner of the policy shall, on making application for the purpose to the collecting society or industrial assurance

company within one year from the date of the service of the notice, be entitled—

(i) to a free paid-up policy for such amount as is hereinafter mentioned payable upon the happening of the contingency upon the happening of which the amount assured under the original policy would have been payable or of any other contingency not less favourable to the owner of the policy; or

(ii) if the owner of the policy is permanently resident or submits satisfactory proof of his intention to make his permanent residence outside Great Britain, the Isle of Man and the Channel Islands, or if the person whose life is assured has disappeared and his existence is in doubt, to the surrender value of the forfeited policy ascertained in manner hereinafter provided.

(2) The amount of a free paid-up policy so issued as aforesaid shall not be less than such as may be determined in accordance with the rules contained in the Fourth Schedule to this Act, and shall be ascertained at the date when the premium following the last premium paid became due:

Provided that the amount of the free paid-up policy shall not exceed the difference between the amount of the forfeited policy (inclusive of any bonus added thereto) and the amount which would be assured by a corresponding policy at the same premium effected on the life of the same person according to the age of that person at his birthday next following the date of forfeiture.

(3) In every premium receipt book issued after the commencement of this Act there shall be printed a notice stating that in the event of the forfeiture, after the expiration of five years from the passing of this Act, of any policy of industrial assurance by reason of default in the payment of premiums thereunder, the owner of the policy shall, if the policy has been in force a sufficient period as provided by this section, be entitled to a free paid-up policy or, if the conditions mentioned in paragraph (ii) of subsection (1) of this section are fulfilled, to the surrender value of his policy, and that upon application to the head office of the society or company information as to the amount of such free paid-up policy or

surrender value will be supplied, and it shall be the duty of the society or company to supply such information.

(4) Where the rules of a society or the conditions of a policy are such as would confer on the owner of the policy in case of forfeiture rights more favourable to the owner of the policy than those conferred by this section, nothing in this section shall prevent the owner of the policy from claiming under those rules or conditions instead of under this section.

(5) This section shall not apply in the case of a forfeiture occurring before the expiration of five years after the passing of this Act.

Substitution of policies.

25.—(1) Where the owner of an industrial assurance policy agrees to accept a new policy in substitution therefor, the collecting society or industrial assurance company, shall pay to the owner of the policy the surrender value (to be ascertained in manner herein-after provided) of the old policy or shall issue to him a free paid-up policy of equivalent value, unless the value of the substituted policy, calculated in accordance with the rules set out in the Fourth Schedule to this Act, at the date of the substitution is equal to or exceeds such surrender value.

(2) In any such case the society or company shall furnish to the owner of the policy, with the new policy and new premium receipt book, a statement setting forth the rights of the owner under this section, and containing an account certified by the secretary of the society or company, or other officer appointed for the purpose, showing the surrender value of the old policy and the value of the new policy.

(3) Where a substituted policy is so issued and the value thereof is equal to or exceeds the surrender value of the old policy, then, for the purpose of determining whether the owner is entitled to a free paid-up policy or surrender value under the provisions of this Act relating to forfeited policies, the substituted policy shall be deemed to have been issued at the date at which the old policy was issued, and premiums shall be deemed to have been paid on the substituted policy in respect of the period between that date and the date at which the substituted policy was actually issued.

Transfers from one society or company to another.

26.—(1) A member of or person assured with a collecting society or industrial assurance company shall not, except in the case of—

(*a*) as respects a collecting society, an amalgamation, transfer of engagements or conversion into a company under the Friendly Societies Act, 1896, or this Act; or

(*b*) as respects an industrial assurance company, an amalgamation or transfer of business under the Assurance Companies Act, 1909, or this Act,

be transferred from the society or company in which he was so assured so as to become or be made a member of or be assured with any other such society or company without his written consent, or, in the case of an infant, without the like consent of his parent or other guardian, and any society or company and any collector or other officer of any society or company concerned in such a transfer shall, if the provisions of this section are not complied with, be deemed to have contravened the provisions of this Act.

(2) Such consent as aforesaid shall be in the prescribed form and shall have annexed thereto a document in the prescribed form to be furnished by the society or company to which the transfer is to be made setting out the terms of and rights under the existing policy, and the terms of and rights under the policy to which the assured will become entitled on transfer and the consideration (if any) which has been or is to be paid for the transfer and the person to whom such consideration has been or will be paid.

(3) The society or company to which the assured is sought to be transferred shall furnish to the person by whom such consent as aforesaid is signed a copy of such consent and of the document annexed thereto, and shall, within seven days from the date when such consent is signed, give to the society or company from which the assured is sought to be transferred notice of the proposed transfer containing full particulars of the name and address of the assured and the number of his policy, together with such consent as aforesaid, and the document annexed thereto.

(4) As from the date of the said notice, the society or company from which the person is sought to be

transferred shall cease to be under any liability with respect to the policy in question and shall not be required to serve any notice of forfeiture of the policy in accordance with the foregoing provisions of this Act.

Payment of claims.

27. Where a claim arising under a policy of industrial assurance is paid, no deductions shall be made on account of any arrears of premiums due under any other policy.

Policies to which 4 & 5 Geo. 5. c. 78 applies.

28.—(1) The Courts (Emergency Powers) Act, 1914, shall cease to be in force so far as it relates to the enforcement of lapses of policies of insurance.

(2) The owner of any policy to which the said Act applied shall be entitled at his option either—

(*a*) on payment at any time before the expiration of six months after the publication of such notice as is hereinafter mentioned of all arrears in premiums then due, to secure the maintenance of the policy; or

(*b*) on making application in writing for the purpose at any time before the expiration of six months after the publication of such notice as aforesaid, to have a new policy issued to him of such reduced amount, or, in the case of an endowment assurance policy modified in such manner, as having regard to the amount of the arrears may be determined under regulations made by the Commissioner to be proper to give effect to the loss occasioned by the non-payment of the arrears.

(3) Every collecting society and industrial assurance company shall, within three months after the passing of this Act, publish in such manner as the Commissioner may approve, notice of the rights under this section of the owners of policies to which the said Act applied.

(4) Where the person whose life is assured under any such policy has died before the passing of this Act or within nine months thereafter and the option hereinbefore conferred has not been exercised before his death, the society or company on application being made for the purpose within two years after the passing of this Act shall be liable to pay to the person entitled to receive the sum assured under the policy the amount thereof after

deducting the amount of the arrears of premiums due at the date of death.

(5) This section shall come into force on the passing of this Act.

Value of policies.

29.—(1) Where for the purposes of this Act the value of a policy (including an illegal policy and a policy beyond the legal powers of a collecting society or industrial assurance company) has to be ascertained, the value of the policy shall be calculated in accordance with the rules set out in the Fourth Schedule to this Act.

(2) The surrender value of such a policy shall be an amount equal to seventy-five per cent. of the value of the policy so calculated.

War bond policies.

30.—(1) The owner of any war bond policy existing at the passing of this Act shall be entitled to make application to the Commissioner alleging that the conditions of the policy are so unreasonable as to entitle him to claim relief under this section, and the Commissioner shall consider the application, and if he is of opinion, after giving the society or company an opportunity of being heard, that the conditions of the policy are such as to warrant such a course, he shall direct that so far as relates to lapse and surrender the policy and all other policies (if any) issued by the same society or company which contain the same conditions shall be modified in such manner as having regard to the legitimate interests of the society or company and the other owners of policies appears to him just, and all policies to which the directions relate shall thereupon have effect as so modified:

Provided that any society or company may appeal to the High Court, or in the case of a society or company registered in Scotland the Court of Session, against any decision of the Commissioner under this section.

(2) For the purposes of this Act, "war bond policy" means a policy of life assurance, whether an industrial assurance policy or not, where the amount assured is payable in any securities issued in connection with any Government loan raised for the purposes of the war, or in such securities or in cash at the option of the owner of the policy.

(3) This section shall come into operation on the passing of this Act.

Saving for certain policies issued before 3rd Dec. 1909.

31. No policy effected before the third day of December, nineteen hundred and nine, with a collecting society or an industrial assurance company shall be deemed to be void by reason only that—

(*a*) the person effecting the policy had not, at the time the policy was effected, an insurable interest in the life of the person upon whose life the policy is taken out; or

(*b*) the name of the person interested, or for whose benefit or on whose account the policy was effected, was not inserted in the policy; or

(*c*) the assurance was not one authorised by the Acts relating to friendly societies;

if the policy was effected by or on account of a person who had at the time a bonâ fide expectation that he would incur expenses in connection with the death or funeral of the person whose life is insured, and if the sum assured is not unreasonable for the purpose of covering those expenses, and any such policy shall enure for the benefit of the person for whose benefit it was effected or his assigns.

Disputes.

Disputes.

32.—(1) In all disputes between a collecting society or industrial assurance company, and

(*a*) any member or person assured; or

(*b*) any person claiming through a member or person assured, or under or in respect of any policy, or under the rules, or under this Act; or

(*c*) any person aggrieved who has ceased to be a member or any person claiming through such person aggrieved,

that member or person may, notwithstanding any provisions of the rules of the society or company to the contrary, apply to the county court, or to a court of summary jurisdiction for the place where that member or person resides, and the court may (but in the case of a court of summary jurisdiction only if the amount of the claim does not exceed twenty-five pounds and not less than fourteen days' notice of the application has been given to the society or company) settle that dispute

according to the provisions of the Friendly Societies Act, 1896, and, where a dispute is settled under this section by a court of summary jurisdiction, the court may make such order as to costs as it considers fair and reasonable:

Provided that any such dispute may be referred to the Commissioner—

(*a*) by such collecting society, industrial assurance company, member or person as aforesaid, if the amount of the claim does not exceed fifty pounds and the legality of the policy is not questioned, and fraud or misrepresentation is not alleged; and

(*b*) in any case, by both parties, without restriction as to the amount of claim or the nature of the question to be decided;

and, where a dispute is so referred, the Commissioner may deal with the dispute as if it were a dispute referred to him under the provisions of section sixty-eight of the Friendly Societies Act, 1896, and the consent of the Treasury to his dealing therewith had been given.

(2) In any case where a doubt arises as to the continued existence of the person on whose life a policy of industrial assurance was taken out, the Commissioner may, on the application of the owner of the policy or of the society or company which issued the policy, award that the society or company shall pay to the owner of the policy the surrender value thereof at the time of the award, and the award shall be a discharge for all claims by or against the society or company in connection with the policy.

Provisions as to Collectors, &c.

Disabilities of collectors, &c.

33.—(1) A collector of a collecting society or industrial assurance company shall not be a member of the committee of management, or in the case of a company of the board of directors, or hold any other office in the society or company except that of superintending collectors within a specified area.

(2) A collector or superintendent shall not be present at any meeting of the society or company.

Restriction on employment of persons to procure new business.

34.—(1) A collecting society or industrial assurance company shall not, nor shall any person employed by such a society or company, employ any person not being a person in the regular employment of the society or company to procure or endeavour to procure any person to enter into a contract of industrial assurance, and no person not regularly in the employment of such a society or company shall procure or endeavour to procure any person to enter into such a contract.

(2) For the purposes of this section, references to regular employment shall include regular part-time as well as regular whole-time employment.

Notification of appointments of secretary and members of committee of management.

35.—(1) Every collecting society registered before the passing of this Act shall, within one month after the passing of this Act, and every collecting society registered after the passing of this Act or society which becomes a collecting society after the passing of this Act shall, within one month of the date when it is so registered or so becomes a collecting society, send to the Commissioner in such form as he may direct, the names of its secretary and of the members of its committee of management, and every such society shall, within fourteen days after the appointment of a new secretary or a new member of the committee of management, send to the Commissioner in such form as he may direct the name of the person so appointed, together with such particulars in each case as he may require.

(2) This section shall come into operation on the passing of this Act.

Amalgamations, Transfers and Conversions.

Transfer of engagements of collecting societies.

36.—(1) Section seventy of the Friendly Societies Act, 1896, in its application to an amalgamation and transfer of engagements of collecting societies shall have effect subject to the following modifications:—

(i) Before the assent required by that section is sought to be obtained, there shall, unless the Commissioner otherwise directs, be sent to each member a statement in such form and containing such particulars as the Commissioner

may require, of the terms of the amalgamation or transfer, and the consideration proposed to be paid therefor, the manner in which that consideration is to be distributed, and the exact share therein which is to be paid to each person participating in the distribution:

(ii) An amalgamation or transfer shall not become effective unless sanctioned by the Commissioner, and the Commissioner, before sanctioning any such amalgamation or transfer, shall hear any representations made on behalf of any class of persons (including the employees of any society concerned) who allege that they are adversely affected by the amalgamation or transfer, and may require as a condition of his sanction that the terms of the amalgamation or transfer shall be modified in such manner as he may consider just.

(2) The said section as so modified shall apply to the transfer by a collecting society of its engagements to an industrial assurance company as if in subsection (2) thereof for the words "any other registered society" there were substituted the words "an industrial assurance company"; and section seventy-one of the Friendly Societies Act, 1896, so far as it enables a registered friendly society to amalgamate with or transfer its engagements to a company, shall not apply to a collecting society.

Transfer of business from company to society.

37. The provisions of the Assurance Companies Act, 1909, as amended by this Act relating to the transfer of industrial assurance business or liabilities arising in respect of industrial assurance business from one industrial assurance company to another, shall, with the necessary modifications, apply to the transfer of such business or liabilities from an industrial assurance company to a collecting society.

Conversion of collecting society into company.

38.—(1) Section seventy-one of the Friendly Societies Act, 1896, so far as it relates to the conversion of a society into a company shall, in its application to a collecting society, have effect subject to the following modifications:—

(*a*) A copy of the special resolution shall be sent to the Commissioner;

(*b*) If within one month after the copy of the special resolution is so sent to him the Commissioner gives notice in writing to the society that he objects to the conversion, the conversion shall not be effected without the sanction of the High Court or in the case of a society registered in Scotland of the Court of Session;

(*c*) On the application to the court for such sanction the Commissioner shall be entitled to appear and be heard.

(2) Without prejudice to the powers conferred by section seventy-one of the Friendly Societies Act, 1896, as so amended, the committee of management of a collecting society having more than one hundred thousand members may petition the court to make an order for the conversion of the society into a mutual company under the Companies Acts, 1908 to 1917, and the court may make such an order if, after hearing the Commissioner if he desires to be heard, and the committee of management, and other persons whom the court considers entitled to be heard on the petition, the court is satisfied, on a poll being taken, that fifty-five per cent. at least of the members of the society over sixteen years of age agree to the conversion:

Provided that, before any such petition is presented to the court, notice of intention to present the petition shall be published in the Gazette, and in such newspapers as the court may direct.

(3) The court may give such directions as it thinks fit for settling a proper memorandum and articles of association of the company.

(4) When a collecting society converts itself into a company in accordance with the provisions of this section, subsection (3) of section seventy-one of the Friendly Societies Act, 1896, shall apply in like manner as if the conversion were effected under that section.

Offences, Notices, &c.

Offences.

39.—(1) Any collecting society which contravenes or fails to comply with any of the provisions of this Act, or any directions by the Commissioner given thereunder, shall be guilty of an offence under this Act and the

provisions of the Friendly Societies Act, 1896, with respect to offences thereunder and to proceedings in respect of such offences shall apply to offences by societies under this Act:

Provided that the maximum penalty which may be inflicted for an offence under this Act shall be a fine not exceeding one hundred pounds or, in the case of a continuing offence, a fine not exceeding fifty pounds a day during which the offence continues.

(2) Any industrial assurance company which contravenes or fails to comply with any of the provisions of this Act, or any directions given by the Commissioner thereunder shall be guilty of an offence under this Act, and a company guilty of such an offence shall be liable to the like penalties, recoverable in the same manner, as in the case of a default in complying with any of the requirements of the Assurance Companies Act, 1909, and section twenty-three of that Act shall apply accordingly.

(3) If any collector of a collecting society or industrial assurance company, or any other person, contravenes or fails to comply with any of the provisions of this Act affecting such collector or other person, he shall be guilty of an offence under this Act and liable on summary conviction to a fine not exceeding fifty pounds.

(4) Where any body of persons not being a collecting society or industrial assurance company as defined by this Act carries on industrial assurance business, any director, manager or secretary or other officer or agent of that body who is knowingly a party to the carrying on of such business shall, unless that body is exempted from the provisions of this Act, be guilty of an offence under this Act and be liable on summary conviction to a fine not exceeding fifty pounds for each day during which the offence continues:

Provided that, where a person is convicted of a second offence under this subsection, he may be sentenced to imprisonment with or without hard labour for a term not exceeding three months.

Any such body of persons as aforesaid shall also, without prejudice to any other penalty, be liable to pay to the owner of any policy of industrial assurance issued by them such sum as an industrial assurance company

which has knowingly issued an illegal policy is under this Act liable to pay to the owner of such illegal policy.

(5) Notwithstanding any limitation on the time for the taking of proceedings contained in any Act, summary proceedings for offences under this Act, or for offences under the Friendly Societies Act, 1896, where the society by or in respect of which, or the person by or in respect of whom, the offence is alleged to have been committed is a collecting society or an officer of such a society, may be commenced at any time within one year of the first discovery thereof by the Commissioner, but not in any case after more than three years from the commission of the offence.

(6) The court by which a fine is imposed in pursuance of this Act may direct that the whole or any part thereof shall be applied in or towards the payment of the costs of the proceedings and subject to any such direction and, subject in England to section four of the Criminal Justice Administration Act, 1914, all such fines shall, notwithstanding anything in any other Act, be paid into the Exchequer.

4 & 5 Geo. 5. c. 58.

Penalties for falsification.

40. If any person wilfully makes, orders, or allows to be made any entry or erasure in, or omission from a collecting book or premium receipt book, with intent to falsify that book, or to evade any of the provisions of this Act, he shall be liable on summary conviction to imprisonment with or without hard labour for a term not exceeding three months or to a fine not exceeding fifty pounds or to both such imprisonment and fine.

Notices.

41. Where any notice is required by this Act to be served upon any member or other person, the notice shall be in writing, and either delivered or sent by post to him, or, in the case of a notice of default, so delivered or sent or left at his last known place of abode.

Bond Investment Business.

Amendment of law relating to bond investment business.

42.—(1) Bond investment business shall, for the purposes of the Assurance Companies Act, 1909, include cases where the subscriptions are payable at periodical intervals of over two months but less than six months,

except where such business is sinking fund or capital redemption insurance business, and accordingly for paragraph (*e*) of section one of that Act the following paragraph shall be substituted:—

"(*e*) Bond investment business, that is to say, the business of issuing bonds or endowment certificates by which the company in return for subscriptions payable at periodical intervals of less than six months contract to pay the bond-holder a sum at some future date, and not being life assurance as hereinbefore defined, or sinking fund or capital redemption insurance business."

(2) Where in return for subscriptions payable at periodical intervals of less than six months a person or body of persons corporate or unincorporate (not being registered or certified under the Acts relating to friendly societies, building societies, or trade unions) undertake, by prospectus or otherwise, to pay to the subscriber at a future date the amount of the subscriptions with interest thereon (with or without a right on the part of the subscriber to the return of his subscriptions in the meantime), such business shall, for the purposes of the Assurance Companies Act, 1909, be treated as bond investment business, and the card, book, or other document in which receipts of subscriptions are entered shall be treated as the instrument evidencing the contract, and the subscriber shall be treated as the owner of the policy, subject however to such modifications of the provisions of the Fourth, Fifth, and Sixth Schedules to that Act as may be prescribed by the Board of Trade for the purpose of adapting to such business as aforesaid the provisions of those schedules relating to bond investment business.

General.

Regulations.

43. The Commissioner may, subject to the approval of the Treasury, make regulations for prescribing anything which under this Act is to be prescribed and for imposing fees and generally for carrying this Act into effect and all regulations so made shall forthwith be laid before both Houses of Parliament, and, if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty days on which

that House has sat next after the regulations are laid before it praying that the regulations may be annulled, they shall thenceforth be void but without prejudice to the validity of anything previously done thereunder or to the making of new regulations. If the Session of Parliament ends before such twenty days as aforesaid have expired, the regulations shall be laid before each House of Parliament at the commencement of the next Session as if they had not previously been laid:

Provided that the regulations so made shall not be deemed to be statutory rules to which section one of the Rules Publication Act, 1893, applies.

56 & 57 Vict. c. 66.

Reports of Commissioner.

44. The Commissioner in every year shall make a report of his proceedings under this Act, which may contain any comments he may consider desirable to make on the valuations, annual returns, or other documents or matters brought before him under this Act, and any correspondence in relation thereto, and the report shall be laid before Parliament.

Interpretation.

45.—(1) In this Act, unless the context otherwise requires—

The expression "collector" shall include every person, howsoever remunerated, who, by himself or by any deputy or substitute, makes house to house visits for the purpose of receiving premiums payable on policies of insurance on human life, or holds any interest in a collecting book and includes such a deputy or substitute as aforesaid:

The expression "premium" includes contribution:

The expression "collecting book" includes any book or document held by a collector in which payments of premiums are recorded:

The expression "premium receipt book" includes any book or document held by the owner of a policy in which acknowledgments of receipts of premiums payable in respect of the policy are entered:

The expression "owner" in relation to any policy means the person who is for the time being the person entitled to receive the sums payable under the policy on maturity, and in the case of an illegal policy or a policy not within the legal powers of the society or company which issued it

means the person who would be so entitled were the policy a legal policy or a policy within such powers:

The expression "rules" in relation to a company means the memorandum and articles of association of the company:

The expression "the Companies Acts" means the Companies Acts, 1908 to 1917, and any Acts repealed by the Companies (Consolidation) Act, 1908. 8 Edw. 7. c. 69.

Other expressions have the same meaning as in the Friendly Societies Act, 1896.

(2) Where under this Act the Commissioner awards that a collecting society be dissolved and its affairs wound up, the award shall be made in the like manner and have the like consequences as if it were an award made under section eighty of the Friendly Societies Act, 1896, and may direct in what manner the assets are to be divided or appropriated:

Provided that the society may appeal against the award to the High Court or in the case of a society registered in Scotland to the Court of Session.

(3) The application of this Act to Scotland, the Isle of Man, and the Channel Islands shall be subject to the same modifications as are expressed in the Friendly Societies Act, 1896, with respect to the application of that Act, and for the purposes of this Act the Isle of Man and the several Channel Islands shall be deemed to be counties.

Short title, extent, commencement, and repeal.

46.—(1) This Act may be cited as the Industrial Assurance Act, 1923.

(2) This Act shall extend to Great Britain, the Isle of Man, and the Channel Islands.

(3) This Act, except as otherwise expressly provided, shall come into operation on the first day of January, nineteen hundred and twenty-four.

(4) The enactments mentioned in the Fifth Schedule to this Act are, except so far as they relate to Ireland, hereby repealed to the extent specified in the third column of that schedule.

SCHEDULES.

Section 8.

FIRST SCHEDULE.

SECTIONS OF ACT TO BE CONTAINED IN THE RULES OF COLLECTING SOCIETIES.

Section 5. Prohibition on issue of illegal policies.
Section 9. Obligation to deliver policies and copies of rules.
Section 15. Balance sheets and audit.
Section 18. Provisions as to valuations.
Section 19. General meetings.
Section 20. Provisions as to proposals for policies.
Section 21. Forms of policies.
Section 22. Return of policies and premium receipt books after inspection.
Section 23. Notice before forfeiture.
Section 24. Provisions as to forfeited policies.
Section 25. Substitution of policies.
Section 26. Transfers from one society or company to another.
Section 27. Payment of claims.
Section 28. Policies to which 4 & 5 Geo. 5. c. 78 applies.
Section 31. Saving for certain policies issued before 3rd December 1909.
Section 32. Disputes.
Section 34. Restriction on employment of persons to procure new business.
Section 40. Penalties for falsification.
Section 41. Notices.

Section 18.

SECOND SCHEDULE.

ADDITIONAL PARTICULARS AS TO VALUATIONS.

1. An analysis as near as may be of the premium income of each of the five years preceding the valuation date into income arising from

(*a*) policies which were not of more than one year's duration at the date such income arose; and

(*b*) policies which were of more than one year's duration at the date such income arose.

Note: This analysis to be given separately for policies with weekly premiums and for policies with premiums payable at longer intervals than one week.

2. The amount, if any, by which the value of the Office Yearly Premiums as shown in respect of each item in the Form referred to under Heading No. 7 in the Fourth Schedule (A) to the Assurance Companies Act, 1909, has been reduced in order to secure that no policy shall be treated as an asset.

3. If the proportion of the annual premium income reserved as a provision for future expenses and profits as stated in answer to question 5 of the Fourth Schedule (A) to the Assurance Companies Act, 1909, is not uniform for all policies of the same class, specimens of the proportion so reserved in respect of policies effected at such ages and having been in force for such periods as the Commissioner may select.

4. Specimen values of the net liabilities under policies (exclusive of any bonuses added) according to the basis of valuation adopted, in respect of each of the principal classes of assurances for policies effected at such ages and of such durations as the Commissioner may select.

5. A statement of the actual number of deaths at ages over ten years in the five years preceding the valuation date under policies for the whole term of life in comparison with the number of deaths which would have occurred if the mortality experience had been in exact agreement with the table of mortality employed for the purpose of the valuation, to be given separately for decennial groups of ages.

THIRD SCHEDULE.

Section 21.

PROVISIONS OF ACT TO BE SET OUT IN POLICIES.

PART I.

Section 20(4).	Provisions as to proposals for policies.
Section 22.	Return of policies and premium receipt books after inspection.
Section 23.	Notice before forfeiture.
Section 24.	Provisions as to forfeited policies.
Section 25.	Substitution of policies.
Section 26.	Transfers from one society or company to another.
Section 27.	Payment of claims.
Section 32.	Disputes.
Section 41.	Notices.

PART II.

Section 23. Notice before forfeiture.
Section 24. Provisions as to forfeited policies.
Section 41. Notices.

Sections 24, 25, 29.

FOURTH SCHEDULE.

RULES FOR VALUING POLICIES.

1. The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus added thereto, and the present value of the future net premiums.

2. The net premium is to be such premium as according to the assumed rate of interest and rate of mortality and the age of the person whose life is assured at his birthday next following the date of the policy is sufficient to provide for the risk incurred by the company or society in issuing the policy, exclusive of any addition thereto for office expenses and other charges:

Provided that—

(*a*) In the case of a policy other than a policy for the whole term of life issued before the person whose life is assured attained the age of ten years, the date of the policy may be assumed to be one year after the actual date, and, if it is so assumed, the term of the policy may be assumed to be one year less than the actual term:

(*b*) In the case of a policy for the whole term of life issued before the person whose life is assured attained the age of ten years, no account shall be taken of any period for which the policy was in force before the anniversary of the date of the issue of the policy next preceding the date on which the age of eleven years was attained:

(*c*) In the case of a substituted policy, the net premium shall be calculated with reference to such sum as, according to the practice of the society or company for the time being, would have been assured by the premiums payable if the person upon whose life the substituted policy is issued had not been assured with the society or company before the issue of that policy.

RULE FOR ASCERTAINING THE AMOUNT OF A FREE PAID-UP POLICY.

The amount of a free paid-up policy is to be a sum bearing the same proportion to seventy-five per cent. of the value of the policy as the sum of one pound bears to the value of the reversion in the sum of one pound according to the contingency upon which the sum assured under the original policy was payable.

GENERAL RULES APPLICABLE BOTH FOR VALUING POLICIES AND FOR ASCERTAINING THE AMOUNT OF A FREE PAID-UP POLICY.

1. Interest is to be assumed at the rate of four per centum per annum.

2. The rate of mortality is to be assumed according to the table contained in the Sixth column of Table G. in the Supplement to the Sixty-fifth Annual Report of the Registrar-General.

3. The age of the person whose life is assured shall be obtained by adding to the age attained by him at his birthday next after the date of the issue of the policy, the duration of the policy in completed years at the date as at which the value of the policy is required to be ascertained.

4. In the case of a policy issued for a term other than the whole term of life, the remaining term at the date at which the value of the policy is required to be ascertained shall be obtained by deducting from the original term of the policy the duration of the policy in completed years at that date.

FIFTH SCHEDULE.

Section 46.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
59 & 60 Vict. c. 26.	The Collecting Societies and Industrial Assurance Companies Act, 1896.	The whole Act.
9 Edw. 7. c. 49.	The Assurance Companies Act, 1909.	Section thirty-six.
12 & 13 Geo. 5. c. 50.	The Expiring Laws Act, 1922.	So far as it continues the provisions of the Courts (Emergency Powers) Act, 1914, relating to policies of insurance.