able by the said recited Acts respectively; and the said yearly sums of two pounds and three pounds may be recovered by the chamberlain of the said city for the time being in the Mayor's Court of the City of London, or in the City of London Court.

Brokers committing fraud to be disqualified from acting as brokers.

6. The court shall keep a list containing the names and addresses of all brokers who shall from time to time have been admitted, and if any such broker shall be convicted in any criminal court of felony or fraud, or if a judge of any of the superior courts of law or equity, or a judge in bankruptcy, shall in any action, suit, or other proceeding prosecuted or depending before such judge, and to which such broker shall be a party, certify (as he is hereby empowered to do) that such broker has been guilty of fraud, and that he ought to be disqualified from acting as a broker altogether, or for such period as such judge shall name in the certificate, such broker shall accordingly be disqualified as from the date of such conviction or certificate, and his name shall thereupon be removed by the court of aldermen from the list of brokers either absolutely or for the time mentioned in such certificate.

CHAP. 61.

An Act to amend the law relating to Life Assurance Companies.

[9th August 1870.]

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:

Short title.

1. This Act may be cited as "The Life Assurance Companies Act, 1870."

Interpretation of terms.

2. In this Act—

The term "company" means any person or persons, corporate or unincorporate, not being registered under the Acts relating to friendly societies, who issue or are liable under policies of assurance upon human life within the United Kingdom, or who grant annuities upon human life within the United Kingdom:

The term "chairman" means the person for the time being presiding over the court or board of directors of the company:

The term "policy holder" means the person who for the time being is the legal holder of the policy for securing the life assurance, endowment, annuity, or other contract with the company:

The term "financial year" means each period of twelve months at the end of which the balance of the accounts of the company is struck, or if no such balance is struck, then each period of twelve months ending with the thirty-first day of December:

The term "Court" means, in the case of a company registered or having its head office in England, the High Court of Chancery; in the case of a company registered or having its head office in Ireland, the Court of Chancery in Ireland; in all cases of companies registered or having its head office in Scotland, the Court of Session, in either division thereof:

The term "registrar" means the Registrar of Joint Stock Companies in England and Scotland, and the Assistant Registrar of Joint Stock Companies in Ireland.

Deposit.

3. Every company established after the passing of this Act within the United Kingdom, and every company established or to be established out of the United Kingdom which shall after the passing of this Act commence to carry on the business of life assurance within the United Kingdom, shall be required to deposit the sum of twenty thousand pounds with the Accountant General of the Court of Chancery, to be invested by him in one of the securities usually accepted by the Court for the investment of funds placed from time to time under its administration, the company electing the particular security and receiving the income therefrom, and the registrar shall not issue a certificate of incorporation unless such deposit shall have been made, and the Accountant General shall return such deposit to the company so soon as its life assurance fund accumulated out of the premiums shall have amounted to forty thousand pounds.

Life funds separate.

4. In the case of a company established after the passing of this Act transacting other business besides that of life assurance, a separate account shall be kept of all receipts in respect of the life assurance and annuity contracts of the company, and the said receipts shall be carried to and form a separate fund to be called the life assurance fund of the company, and such fund shall be as absolutely the security of the life policy and annuity holders as though it belonged to a company carrying on no other business than that of life assurance, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of life assurance; and in respect to all existing companies, the exemption of the life assurance fund from liability for other obligations than to its life policy holders shall have reference only to the contracts entered into after the passing of this Act, unless by the constitution of the company such exemption already exists: Provided always, that this section shall not apply to any contracts made by any existing company by the terms of whose deed of settlement the whole of the profits of all the business are paid exclusively to the life policy holders, and on the face of which contracts the liability of the assured distinctly appears.

Statements to be made by companies.

5. From and after the passing of this Act every company shall, at the expiration of each financial year of such company, prepare a statement of its revenue account for such year, and of its balance sheet at the close of such year, in the forms respectively contained in the first and second schedules to this Act.

Statements by company doing other than life business.

6. Every company which, concurrently with the granting of policies of assurance or annuities on human life, transacts any other kind of assurance or other business shall, at the expiration of each such financial year as aforesaid, prepare statements of its revenue account for such year, and of its balance sheet at the close of such year, in the forms respectively contained in the third and fourth schedules of this Act.

Actuarial report and abstract.

7. Every company shall, once in every five years if established after the passing of this Act, and once every ten years if established before the passing of this Act, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or byelaws, cause an investigation to be made into its financial condition by an actuary, and shall cause an abstract of the report of such actuary to be made in the form prescribed in the fifth schedule to this Act.

Statement of life and annuity business.

8. Every company shall, on or before the thirty-first day of December one thousand eight hundred and seventy-two, and thereafter within nine months after the date of each such investigation as aforesaid into its financial condition, prepare a statement of its life assurance and annuity business in the form contained in the sixth schedule to this Act, each of such statements to be made up as at the date of the last investigation, whether such investigation be made previously or subsequently to the passing of this Act: Provided as follows:

(1.) If the next financial investigation after the passing of this Act of any company fall during the year one thousand eight hundred and seventy-three, the said statement of such company shall be prepared within nine months after the date of

such investigation, instead of on or before the thirty-first day of December one thousand eight hundred and seventy-two:

(2.) If such investigation be made annually by any company, such company may prepare such statement at any time, so that it be made at least once in every three years.

The expression date of each such investigation in this section shall mean the date to which the accounts of each company are made up for the purposes of each such investigation.

Forms may be altered.

9. The Board of Trade, upon the applications of or with the consent of a company, may alter the forms contained in the schedules to this Act, for the purpose of adapting them to the circumstances of such company, or of better carrying into effect the objects of this Act.

Statements, &c. to be signed and printed and deposited with Board of Trade.

10. Every statement or abstract herein-before required to be made shall be signed by the chairman and two directors of the company and by the principal officer managing the life assurance business, and, if the company has a managing director, by such managing director, and shall be printed; and the original, so signed as aforesaid, together with three printed copies thereof, shall be deposited at the Board of Trade within nine months of the dates respectively herein-before prescribed as the dates at which the same are to be prepared. And every annual statement so deposited after the next investigation shall be accompanied by a printed copy of the abstract required to be made by section seven.

Copies of statements to be given to shareholders, &c.

11. A printed copy of the last deposited statement, abstract, or other document by this Act required to be printed shall be forwarded by the company, by post or otherwis e,on application, to every shareholder and policy holder of the company.

List of shareholders.

12. Every company which is not registered under "The Companies Act, 1862," and which has not incorporated in its deed of settlement section ten of "The Companies Clauses Consolidation Act, 1845," shall keep a "Shareholders Address Book," in accordance with the provisions of that section, and shall furnish, on application, to every shareholder and policy holder of the Company a copy of such book, on payment of a sum not exceeding sixpence for every hundred words required to be copied for such purpose.

Deed of settlement to be printed.

13. Every company which is not registered under "The Companies Act, 1862," shall cause a sufficient number of copies of its deed of settlement to be printed, and shall furnish, on application, to every shareholder and policy holder of the company a copy of such deed of settlement on payment of a sum not exceeding two shillings and sixpence.

Amalgamation or transfer.

14. Where it is intended to amalgamate two or more companies, or to transfer the life assurance business of one company to another, the directors of any one or more of such companies may apply to the Court, by petition, to sanction the proposed arrangement, notice of such application being published in the Gazette, and the Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may confirm the same if it is satisfied that no sufficient objection to the arrangement has been established.

Before any such application is made to the Court a statement of the nature of the amalgamation or transfer, as the case may be, together with an abstract containing the material facts embodied in the agreement or deed under which such amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which such agreement or deed is founded, shall be forwarded to each policy holder of both companies in case of amalgamation, or to each policy holder of the transferred company in case of transfer, by the same being transmitted in manner provided by section one hundred and thirty-six of The Companies Clauses Consolidation Act, 1845, for the transmission to shareholders of notices not requiring to be served personally; and the agreement or deed under which such amalgamation or transfer is effected shall be open

for the inspection of the policy holders and shareholders at the office or offices of the company or companies for a period of fifteen days after the issuing of the abstract herein provided.

The Court shall not sanction any amalgamation or transfer in any case in which it appears to the Court that policy holders representing one tenth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer, dissent from such amalgamation or transfer.

No company shall amalgamate with another, or transfer its business to another, unless such amalgamation or transfer is confirmed by the Court in accordance with this section.

Provided always, that this section shall not apply in any case in which the business of any company which is sought to be amalgamated or transferred does not comprise the business of life assurance.

Statements in case of amalgamation or transfer.

15. When an amalgamation takes place between any companies, or when the business of one company is transferred to another company, the combined company or the purchasing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation or transfer, deposit with the Board of Trade certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer, and a certified copy of the agreement or deed under which such amalgamation or transfer is effected, and certified copies of the actuarial or other reports upon which such agreement or deed is founded; and the statement and agreement or deed of amalgamation or transfer shall be accompanied by a declaration under the hand of the chairman of each company and the principal managing officer of each company, that to the best of their belief every payment made or to be made to any person whatsoever on account of the said amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities, or other property by or with the knowledge of any parties to the said amalgamation or transfer.

Documents may be transferred from Board of Trade to registry of joint stock companies.

16. The Board of Trade may direct any printed or other documents required by this Act, or certified copies thereof, to be kept by the registrar of Joint Stock Companies or other officer of the Board of Trade; and any person may, on payment of such fees as the Board of Trade may direct, inspect the same at his office, and procure copies thereof.

Documents to be received in evidence.

17. Every statement, abstract, or other document deposited with the Board of Trade or with the registrar of Joint Stock Companies under this Act shall be receivable in evidence; and every document purporting to be certified by one of the secretaries or assistant secretaries of the Board of Trade, or by the said registrar, to be such deposited document, and every document purporting to be similarly certified to be a copy of such deposited document, shall, if produced out of the custody of the Board of Trade or of the said registrar, be deemed to be such deposited document as aforesaid, or a copy thereof, and shall be received in evidence as if it were the original document, unless some variation between it and the original document shall be proved.

Penalty for non-compliance with Act.

18. Every company which makes default in complying with the requirements of this Act shall be liable to a penalty not exceeding fifty pounds for every day during which the default continues; and if default continue for a period of three months after notice of default by the Board of Trade, which notice shall be published in one or more newspapers as the Board of Trade may direct, and after such publication the Court may order the winding up of the company, in accordance with The Companies Act, 1862, upon the application of one or more policy holders or shareholders.

Penalty for falsifying statements, &c.

19. If any statement, abstract, or other document required by this Act is false in any particular to the knowledge of any person who signs the same, such person shall be liable

on conviction thereof on indictment to fine and imprisonment, or on summary conviction thereof to a penalty not exceeding fifty pounds.

Penalties how to be recovered and applied.

20. Every penalty imposed by this Act shall be recovered and applied in the same manner as penalties imposed by The Companies Act, 1862, are recoverable and applicable.

Other circumstances under which company may be wound up by the Court of Chancery.

21. The Court may order the winding up of any company, in accordance with The Companies Act, 1862, on the application of one or more policy holders or shareholders, upon its being proved to the satisfaction of the Court that the company is insolvent, and in determining whether or not the company is insolvent the Court shall take into account its contingent or prospective liability under policies and annuity and other existing contracts; but the Court shall not give a hearing to the petition until security for costs for such amount as the judge shall think reasonable shall be given, and until a primâ facie case shall also be established to the satisfaction of the judge; and in the case of a proprietary company having an uncalled capital of an amount sufficient with the future premiums receivable by the company to make up the actual invested assets equal to the amount of the estimated liabilities, the Court shall suspend further proceedings on the petition for a reasonable time (in the discretion of the Court) to enable the uncalled capital, or a sufficient part thereof, to be called up; and if at the end of the original or any extended time for which the proceedings shall have been suspended such an amount shall not have been realized by means of calls as, with the already invested assets, to be equal to the liabilities, an order shall be made on the petition as if the company had been proved insolvent.

Power to Court to reduce contracts.

22. The Court, in the case of a company which has been proved to be insolvent, may, if it thinks fit, reduce the amount of the contracts of the company upon such terms and subject to such conditions as the Court thinks just, in place of making a winding-up order.

Notices under this Act to policy holders.

23. Any notice which is by this Act required to be sent to any policy holder may be addressed and sent to the person to whom notices respecting such policy are usually sent, and any notice so addressed and sent shall be deemed and taken to be notice to the holder of such policy.

Statements, &c. to be laid before Parliament.

24. The Board of Trade shall lay annually before Parliament the statements and abstracts of reports deposited with them under this Act during the preceding year.

Exceptions.

25. This Act shall not affect the Commissioners for the Reduction of the National Debt, nor the Postmaster General, acting under the authorities vested in them respectively by the Acts tenth George the Fourth, chapter forty-one, third and fourth William the Fourth, chapter fourteen, sixteenth and seventeenth Victoria, chapter forty-five, and twenty-seventh and twenty-eighth Victoria, chapter forty-three.

FIRST SCHEDULE.

Revenue Account of the _____ for the year ending _____.

18 . (Date.)		£ s. d.	18 . (Date.)		£ s. d.
	Amount of funds at the beginning of the year			Claims under policies (after deduction of sums re-assured)	
	Premiums			Surrenders	
	Consideration for annuities granted			Annuities	
	Interest and dividends			Commission	
	Other receipts (accounts to be specified)			Expenses of management	
				Dividends and bonuses to shareholders (if any)	
				Other payments (accounts to be specified)	
				Amount of funds at the end of the year, as per Second Schedule	
		£			£

Note 1.—Companies having separate accounts for annuities to return the particulars of their annuity business in a separate statement.

Note 2.—Items in this and in the accounts in the Third and Fifth Schedules should be the net amounts after deduction of the amounts paid and received in respect of re-assurances.

SECOND SCHEDULE.

Balance Sheet of the _____ on the _____ 18___.

LIABILITIES.	£ s. d.	ASSETS.	£ s. d.
Shareholders' capital paid up (if any) £		Mortgages on property within the United Kingdom	
Assurance fund		Do. do. out of the United Kingdom	
Annuity fund (if any)		Loans on the company's policies	
Other funds, if any, to be specified		Investments:	
		In British Government securities	
Total funds as per First Schedule £		Indian and Colonial government securities	
Claims admitted but not paid *		Foreign government do.	
Other sums owing by the company * (accounts to be specified)		Railway and other debentures and debenture stocks	
		Do. shares (preference and ordinary)	
		House property	
		Other investments (to be specified)	
		Loans upon personal security	
		Agents' balances	
		Outstanding premiums	
		Do. interest	
		Cash:	
		On deposit £	
		In hand and on current account	
		Other assets (to be specified)	
£		£	

* *Note.*—These items are included in the corresponding items in the First Schedule.

THIRD SCHEDULE.

Revenue Accounts of the _____ for the year ending _____.

(No. 1.) LIFE ASSURANCE ACCOUNT.

(Date.)		£	(Date.)		£
	Amount of life assurance fund at the beginning of the year			Claims under life policies (after deduction of sums re-assured)	
	Premiums, after deduction of re-assurance premiums			Surrenders	
	Consideration for annuities granted			Annuities	
	Interest and dividends			Commission	
	Other receipts (accounts to be specified)			Expenses of management	
				Other payments (accounts to be specified)	
				Amount of life assurance fund at the end of the year, as per Fourth Schedule	

Note.—Companies having separate accounts for annuities to return the particulars of their annuity business in a separate statement.

(No. 2.) FIRE ACCOUNT.

		£			£
	Amount of fire insurance fund at the beginning of the year			Losses by fire, after deduction of re-assurances	
	Premiums received, after deduction of re-assurances			Expenses of management	
	Other receipts to be specified			Commission	
				Other payments to be specified	
				Amount of fire insurance fund at the end of the year, as per Fourth Schedule	

Note.—When marine or any other branch of business is carried on, the income and expenditure thereof to be in like manner stated in a separate account.

(No. 3.) PROFIT AND LOSS ACCOUNT.

		£			£
	Balance of last year's account			Dividends and bonuses to shareholders	
	Interest and dividends not carried to other accounts			Expenses not charged to other accounts	
	Profit realised (accounts to be specified)			Loss realised (accounts to be specified)	
	Other receipts			Other payments	
				Balance as per Fourth Schedule	

Note.—This account is not required if the items have been incorporated in the other accounts of this schedule.

FOURTH SCHEDULE.

Balance Sheet of the _____ on the _____ 18__.

LIABILITIES.	£ s. d.	£ s. d.	ASSETS.	£ s. d.	£ s. d.
Shareholders' capital - - -			Mortgages on property within the United Kingdom - - - -		
General reserve fund (if any) - -			Do. do. out of the United Kingdom - - - -		
Life assurance fund* - - -			Loans on the company's policies - -		
Annuity fund (if any)* - - -			Investments :		
Fire fund - - - - - -			In British Government securities -		
Marine fund - - - - - -			Indian and Colonial do. -		
Profit and loss (if any) - - -			Foreign do. -		
Other funds, if any, to be specified - -			Railway and other debentures and debenture stocks - - -		
			Do. shares (preference and ordinary)		
Claims under life policies admitted but not yet paid* -	£ s. d.	£	House property - - -		
Outstanding fire losses -			Other investments (to be specified) -		
Do. marine do. - -			Loans upon personal security - -		
Other sums owing by the company (accounts to be specified) - - -			Agents' balances - - - -		
			Outstanding premiums - - -		
			Do. interest - - -		
			Cash:		
			On deposit - - £		
			In hand and on current account - -		
			Other assets (to be specified) - -		
		£			£

* If the life assurance fund is, in accordance with section 4. of this Act, a separate trust fund for the sole security of the life policy holders, a separate balance sheet for the life branch may be given in the form contained in Schedule 2. In other respects the company is to observe the above form. See also note to Second Schedule.

FIFTH SCHEDULE.

STATEMENT respecting the VALUATION of the LIABILITIES under LIFE POLICIES and ANNUITIES of the , to be made by the ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.

2. The principles upon which the valuation and distribution of profits among the policy holders are made, and whether these principles were determined by the instrument constituting the company, or by its regulations or byelaws, or otherwise.

3. The table or tables of mortality used in the valuation.

4. The rate or rates of interest assumed in the calculations.

5. The proportion of the annual premium income, if any, reserved as a provision for future expenses and profits. (If none, state how this provision is made.)

6. The consolidated revenue account since the last valuation, or, in case of a company which has made no valuation, since the commencement of the business. (This return should be made in the form annexed.)

7. The liabilities of the company under life policies and annuities at the date of the valuation, showing the number of policies, the amount assured, and the amount of premiums payable annually under each class of policies, both with and without participation in profits ; and also the net liabilities and assets of the company, with the amount of surplus or deficiency. (These returns should be made in the forms annexed.)

8. The time during which a policy must be in force in order to entitle it to share in the profits.

9. The results of the valuation, showing—

(1.) The total amount of profit made by the company.

(2.) The amount of profit divided among the policy holders, and the number and amount of the policies which participated.

(3.) Specimens of bonuses allotted to policies for 100*l.* effected at the respective ages of 20, 30, 40, and 50, and having been respectively in force for five years, ten years, and upwards, at intervals of five years respectively, together with the amounts apportioned under the various modes in which the bonus might be received.

(FORM referred to under heading No. 6. in the Fifth Schedule.)

Consolidated Revenue Account of the_____ for_____ years commencing_____ and ending_____.

	£ s. d.		£ s. d.
Amount of funds on_____18__,—the beginning of - - - -		Claims under policies (after deduction of sums re-assured) - - - -	
Premiums (after deduction of re-assurance premiums) . - - - - -		Surrenders - - - -	
Consideration for annuities granted -		Annuities - - - - - -	
Interest and dividends - - -		Commission - - - -	
Other receipts (accounts to be specified)		Expenses of management - - -	
		Dividends and bonuses to shareholders (if any) - - - -	
		Other payments (accounts to be specified)	
		Amount of funds on_____18__,—the end of the period, as per First (or Third) Schedule - - -	
£		£	

(FORM referred to under heading No. 7. in Fifth Schedule.)

SUMMARY and VALUATION of the POLICIES of the as at 18 .

Description of Transactions.	Particulars of the POLICIES for Valuation.				VALUATION.			
					Value by the Table, Interest per cent.			
	Number of policies.	Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums, if ascertained.	Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums, if computed.	Net liability.
ASSURANCES.								
I. *With participation in profits.*								
For whole term of life - -								
Other classes (to be specified) -								
Extra premiums payable - -								
Total Assurances with profits -								
II. *Without participation in profits.*								
For whole term of life - -								
Other classes (to be specified) -								
Extra premiums payable - -								
Total Assurances without profits								
Total assurances - - -								
Deduct re-assurances - -								
Net amount of assurances -								
Adjustments, if any - -								
ANNUITIES.								
Immediate - - -								
Other classes (to be specified) -								
Total of the results - - - -								

The term "extra premium" in this Act shall be taken to mean the charge for any risk not provided for in the minimum contract premium. If policies are issued in or for any country at rates of premium deduced from tables other than the European mortality tables adopted by the company, separate schedules similar in form to the above must be furnished.

(FORM referred to under heading No. 7, in Fifth Schedule.)

VALUATION BALANCE SHEET of as at 18 .

Dr.	£	Cr.	£
To net liability under Assurance and Annuity transactions (as per summary statement provided in Schedule 5) - - - -		By life assurance and annuity funds (as per balance sheet under Schedule 2 or 4) - - - - -	
To surplus, if any - - -		By deficiency, if any - - -	

SIXTH SCHEDULE.

STATEMENT of the LIFE ASSURANCE and ANNUITY BUSINESS of the on the 18 .

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of re-assurances corresponding to the statements in respect of assurances under headings 2, 3, 4, 5, and 6, are to be given.)

1. The published table or tables of premiums for assurances for the whole term of life which are in use at the date above mentioned.

2. The total amount assured on lives for the whole term of life, which are in existence at the date above mentioned, distinguishing the portions assured with and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year of life from the youngest to the oldest ages.

3. The amount of premiums receivable annually for each year of life, after deducting the abatements made by the application of bonuses, in respect of the respective assurances mentioned under heading No. 2, distinguishing ordinary from extra premiums.

4. The total amount assured under classes of assurance business, other than for the whole term of life, distinguishing the sums assured under each class, and stating separately the amount assured with and without profits, and the total amount of reversionary bonuses.

5. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under heading No. 4, distinguishing ordinary from extra premiums.

6. The total amount of premiums which has been received from the commencement upon all policies under each special class mentioned under heading 4 which are in force at the date above mentioned.

7. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life.

8. The amount of all annuities other than those specified under heading No. 7, distinguishing the amount of annuities payable under each class, the amount of premiums annually receivable, and the amount of consideration money received in respect of each such class, and the total amount of premiums received from the commencement upon all deferred annuities.

9. The average rate of interest at which the life assurance fund of the company was invested at the close of each year during the period since the last investigation.

10. A table of minimum values, if any, allowed for the surrender of policies for the whole term of life and for endowments and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of its application to policies of different standing and taken out at various interval ages from the youngest to the oldest.

Separate statements to be furnished for business at other than European rates, together with a statement of the manner in which policies on unhealthy lives are dealt with.