CHAPTER xliii.

An Act to empower the National Life Assurance Society and the Mutual Life Assurance Society to amalgamate and for other purposes. [2nd July 1896.]

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WHEREAS the Mutual Life Assurance Society (herein-after called "the Mutual Society") was established by deed of settlement in the year one thousand eight hundred and thirty-four for effecting assurances on lives and for the purposes usually connected with life assurances on the basis that the members should be persons effecting assurances on or for the whole duration of any human life and that the profits made by the Society should be divided among such of its members as should effect assurances on the profit scale of premiums:

And whereas in the year one thousand eight hundred and seventy-one the Mutual Society was incorporated by registration under the Companies' Acts 1862 and 1867 as a company without limited liability and new laws rules and regulations were adopted for the government of the Society and the management of its affairs:

And whereas in the year one thousand eight hundred and ninety-three the Mutual Life Assurance Society's Act 1893 was passed being "An Act to define the objects and members of the Mutual Life Assurance Society and to enlarge the powers of the Society and for other purposes":

And whereas by that Act (section 2) it was enacted that from and after the passing of a special resolution of the Mutual Society sanctioning new regulations for its government and the management of its business the memorandum of association of which a copy is set out in the Schedule to the said Act should be the memorandum of association of the Society:

And whereas such special resolution sanctioning and adopting new regulations in lieu of the then existing regulations was duly passed and confirmed in the month of December one thousand eight

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hundred and ninety-three and thereupon the said scheduled memorandum of association became the memorandum of association of the Mutual Society :

And whereas the said memorandum defines the objects of the Mutual Society to be the making of assurances for lives to and between and for the benefit of its members upon the principle of mutual assurance so as to proceed without a fixed or permanent capital and the making of general assurances on lives and survivorships and other legal assurances on events connected with life to the public at large including the members and the granting and purchase of annuities for lives or on survivorships and generally the transaction of all descriptions of business ordinarily transacted by life assurance companies or known as life assurance business :

And whereas section 8 of the said Act provides to the following effect namely :—

(i.) That a fund shall be established to be called "the series A fund" and that a sum shall be credited to that fund equal to the certified value of the liabilities on the policies in force on the thirty-first day of December one thousand eight hundred and ninety-two of members insured for the whole of life on the with profit scale of premiums (herein-after called "series A policies") ;

(ii.) That all premiums received on the series A policies shall be credited to the said fund and also interest on the sum from time to time standing to the credit of the said fund at the average rate of interest obtained on the investments of the Society ;

(iii.) That out of the said fund or the income thereof shall be paid such proportion of the general expenses of the Society as shall be determined by the directors and all claims and demands arising by death or otherwise on or in respect of the series A policies but in the event of the said fund proving inadequate to meet any such claims and demands resort may be had to other funds or assets of the Society ;

(iv.) That the said fund shall be maintained and shall be applicable exclusively as aforesaid so long as any of the series A policies are in existence and on the determination of the last of such policies the said fund shall be wound up and discontinued by the directors :

And whereas the said new regulations of the Mutual Society contain in articles 57 to 63 (both inclusive) provisions under which two funds called respectively "series A fund" and "series N fund" were established and under which the series A fund was in pursuance of the said section 8 of the said Act credited with the sum

of one million one hundred and forty-one thousand one hundred and two pounds eleven shillings and seven pence being the certified value of such liabilities as aforesaid and the series N fund was credited with the sum of ninety-three thousand and sixty pounds being the certified value as on the thirty-first day of December one thousand eight hundred and ninety-two of all policies in force on that date on the non-profit scale of premiums and under which separate accounts of the receipts (including premiums received and interest on the sum from time to time standing to the credit of each fund) and of the disbursements (including an estimated sum for expenses of management) in respect of each fund were to be kept and the profit arising from series N fund was to be carried over to series A fund and the profit in series A fund was to be divided amongst the members entitled to participate in respect of series A fund but the Mutual Society has not created any other special funds:

And whereas all the existing policies of the Mutual Society are policies in one of the said two funds and the holders thereof are entitled to the benefit of the regulations under which the same were issued:

And whereas the National Life Assurance Society (in this Act called "the National Society") was originally established in the year 1830 and afterwards reconstituted by deed of settlement dated the sixteenth day of March one thousand eight hundred and forty-eight:

And whereas in the year one thousand eight hundred and eighty-five the National Society was incorporated by registration under the Companies Acts 1862 and 1867 and the amending Acts then in force as a company without limited liability and is now regulated by articles of association dated the sixth day of May one thousand eight hundred and eighty-five:

And whereas by article 2 the National Society consists of all the persons who for the time being shall have as members either solely or jointly with any other person effected assurances with the Society and whose assurances shall be in force and the executors or administrators of every deceased person who solely and of the survivor or survivors of every two or more deceased persons who jointly shall have as a member or members effected any assurance with the Society which shall be in force:

And whereas by article 3 the chief object of the National Society is defined to be the granting of assurances for lives and endowments to and between and for the benefit of its members upon the principle of mutual assurance and as subordinate thereto to grant general

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assurances on lives survivorships and endowments and other legal assurances on events connected with life to the public at large including the members and to grant and purchase annuities for lives or on survivorships:

And whereas by article 4 the assurances granted by the National Society are ranged in four classes namely:—

Class A consisting of all assurances effected with the Society prior to the first day of January one thousand eight hundred and seventy-one by persons who in respect thereof become members of the Society;

Class B consisting of all assurances (except those in class D) effected with the Society after the first day of January one thousand eight hundred and seventy-one by persons who in respect thereof become members of the Society;

Class C consisting of assurances granted to persons who in respect thereof are not members of the Society;

Class D consisting of assurances payable only on the attainment of a specified age and granted to persons who in respect thereof become members of the Society:

And whereas articles 76 to 81 (both inclusive) contain (inter alia) provisions shortly as follows viz. In article 76 regulations with respect to keeping separate accounts of all receipts and disbursements in respect of the assurances in the several classes except as therein mentioned and (article 77) regulations as to the apportionment among the several classes of the expenses of management and (article 78) regulations for the preparation quinquennially of separate accounts of the assets and liabilities of the several classes with a provision for apportioning the deficiency if any in class C between classes A B and D and (article 79) regulations as to the application of the surplus of class A among the members of that class and (article 80) regulations as to the application of the surpluses of classes B and D respectively among the members of those respective classes and (article 81) regulations for making good the deficiency of any one class from the funds of the other classes with a provision for recoupment with interest as therein provided:

And whereas there are existing policies of the National Society in each of the said four classes and the holders thereof are entitled to the benefit of the regulations under which the same were issued:

And whereas by the last report and balance sheet of the Mutual Society it appears that on the thirty-first day of December one thousand eight hundred and ninety-five the assets of the Society amounted to one million three hundred and forty-two thousand nine

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hundred and forty-three pounds thirteen shillings and four pence and the surplus in series A of the Society was at a valuation made as of the thirty-first day of December one thousand eight hundred and ninety-four shown to be thirty-two thousand one hundred and seventy-three pounds:

And whereas by the last report and balance sheet of the National Society it appears that on the thirty-first day of December one thousand eight hundred and ninety-five the assets of the Society amounted to one million one hundred and forty-six thousand four hundred and forty pounds one shilling:

And whereas both societies transact the same kinds of business and it is anticipated that by their amalgamation into one society a considerable reduction of working expenses would be effected and all classes of policy-holders would be benefited:

And whereas negotiations between the boards of directors of the two societies have resulted in an agreement jointly to promote the Bill for this Act with the view of effecting amalgamation subject to the provisions in this Act contained:

And whereas it is intended to register the society formed by the amalgamation of the two societies as a company without limited liability under the Companies Acts 1862 to 1890 by the name of the National Mutual Life Assurance Society:

And whereas it is expedient that the proposed amalgamation be effected and that the Mutual Life Assurance Society's Act 1893 and the existing regulations of the two societies be repealed in view of the registration of articles of association by the new society and that in the new society class A of the National Society shall be continued as a closed class and that series A of the Mutual Society shall be combined with class B and class D of the National Society so as to form one class of with-profit policies and that series N of the Mutual Society shall be combined with class C of the National Society so as to form one class of non-profit policies and that with respect to each of the said three classes in the new society provision shall be made as herein-after appears including provision for preserving to those members of the with-profit class who were at the commencement of this Act holders of policies in series A of the Mutual Society the benefit of the said surplus of thirty-two thousand one hundred and seventy-three pounds:

And whereas the objects of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with

A.D. 1896. the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows (that is to say) :—

Short title. **1.** This Act may be cited as the National Mutual Life Assurance Society's Act 1896.

Commencement of Act. **2.** This Act shall come into operation on the first Tuesday after its passing which date is herein-after referred to as "the commencement of this Act."

Amalgamation of Mutual and National Societies. **3.** The Mutual Life Assurance Society and the National Life Assurance Society and all their respective members are hereby amalgamated and united into one society herein-after referred to as "the Society."

Registration of new Society. **4.** As soon as practicable after the commencement of this Act the Society shall be registered under the Companies Acts 1862 to 1890 as a company without limited liability and with a memorandum of association in the terms of the memorandum of association whereof a copy is set forth in the schedule to this Act and with such articles of association not inconsistent with the provisions of this Act as shall be approved and adopted by the Society.

Dissolution of Mutual Society and of National Society. **5.** On the commencement of this Act the Mutual Society and the National Society shall respectively be by virtue of this Act dissolved and the Mutual Life Assurance Society's Act 1893 and the existing regulations or articles of association of that Society shall be repealed and the existing regulations or articles of association of the National Society shall also be repealed but (save as herein otherwise provided) each such repeal shall be without prejudice to anything done or suffered or rights acquired in pursuance of or under the said Act and regulations or articles of association or any of them respectively.

Transfer of property to Society. **6.**—(1) All such property real and personal including all interests and rights in to and out of property real and personal and including obligations and things in action as may belong to or be vested in either of the said Societies or in any trustees or trustee for or on behalf of either of them immediately before the date of registration (other than copyhold tenements and any property the legal estate or interest wherein is not transferable by deed and any securities or property transferable only by a deed or instrument of a prescribed form or transferable only in the books of any corporation or company which is then vested in either of the said societies or in any such trustees or trustee and for the transfer to and vesting of

which in the Society provision is herein-after in this section expressly made) shall on and from the date of such registration and on payment to the Commissioners of Inland Revenue of the sum of two hundred and eighty-six pounds eleven shillings and sixpence as and for stamp duty on the transfer pass to and vest in the Society as incorporated under the said Companies Acts for all the estate and interest of the said societies or of such trustees or trustee therein The said sum of two hundred and eighty-six pounds eleven shillings and sixpence shall be paid to the Commissioners of Inland Revenue upon or before the registration of the Society and if not so paid shall be a debt due to Her Majesty from the Society and shall be recoverable with interest at the rate of five pounds per centum per annum from the date of registration Upon payment of the said sum and production by the Society of a copy of this Act the Commissioners shall cause such copy to be stamped with duty to that amount and the copy so stamped shall be evidence that the sum payable under this section has been paid. A.D. 1896.

(2) Any trustees or trustee in whom any copyhold tenements or any property the legal estate or interest wherein is not transferable by deed or any securities or property transferable only by a deed or instrument of a prescribed form or transferable only in the books of a corporation or company or interests and rights into and out of the same is immediately before the date of such registration vested for and on behalf of either of the said Societies shall at the expense of the Society on or as soon as conveniently may be after the date of such registration convey assure and transfer to the Society as incorporated all such tenements property and securities interests and rights and shall do and concur in doing at the expense of the Society all acts and things necessary or proper for effectually vesting such tenements property and securities interests and rights in the Society as incorporated and until such conveyance and transfer shall hold such tenements property and securities interests and rights upon trust for the Society as incorporated.

(3) The said trustees and each of them from the date of such registration shall be released and discharged from and indemnified against all claims demands liabilities and obligations arising out of or attached to the office of trustee of either of the said Societies save those arising out of or imposed by subsection (2) of this section and such (if any) as shall or may arise out of any breach of trust on their or his part respectively.

7. The several series and classes of the Mutual Society and the National Society shall be discontinued as separate series or classes and shall cease to have such several rights as are in the said **Discontinuance of existing and con-**

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Constitution of new classes.

repealed regulations of the said two societies respectively contained Provided nevertheless as follows (that is to say):—

(1) Class A of the National Society shall be continued as "class A" of the Society and shall consist of all policies which at the commencement of this Act are policies in class A of the National Society and of no others The fund of this class shall be credited with the sum of three hundred and fourteen thousand eight hundred and ninety-seven pounds one shilling and fivepence being the amount standing to the credit of the fund of class A of the National Society on the thirty-first day of December one thousand eight hundred and ninety-five:

(2) A class shall be established to be called the "with-profit class" and shall consist of all policies which at the commencement of this Act are policies in series A of the Mutual Society and in classes B and D of the National Society and of all policies to be granted by the Society on the with-profit scale of premiums The fund of this class shall be credited with a sum of one million five hundred and seventeen thousand and forty-nine pounds two shillings and tenpence being the aggregate amount of (*a*) the sum of one million one hundred and ninety-six thousand five hundred and eighty-eight pounds thirteen shillings and one penny being the amount standing to the credit of the fund of series A of the Mutual Society on the thirty-first day of December one thousand eight hundred and ninety-five in which sum is included the said surplus of thirty-two thousand one hundred and seventy-three pounds and (*b*) the sum of two hundred and ninety thousand and fifty-one pounds fourteen shillings and sixpence being the amount standing to the credit of the fund of class B of the National Society on the said thirty-first day of December one thousand eight hundred and ninety-five and (*c*) the sum of thirty thousand four hundred and eight pounds fifteen shillings and threepence being the amount standing to the credit of the fund of class D of the National Society on the said thirty-first day of December one thousand eight hundred and ninety-five:

(3) A class shall be established to be called the "non-profit class" and shall consist of all policies which at the commencement of this Act are policies in series N of the Mutual Society and in class C of the National Society and of all policies to be granted by the Society on the non-profit scale of premiums The fund of this class shall be credited with a sum of six hundred and seventeen thousand nine hundred and nine pounds nine shillings and one penny being the aggregate amount of (*a*) the sum of one hundred and twenty-six thousand and forty-six pounds six

shillings and eleven pence being the amount standing to the credit of the fund of series N of the Mutual Society on the thirty-first day of December one thousand eight hundred and ninety-five and (*b*) the sum of four hundred and ninety-one thousand eight hundred and sixty-three pounds two shillings and twopence being the amount standing to the credit of the fund of class C of the National Society on the said thirty-first day of December one thousand eight hundred and ninety-five :

(4) All premiums received since the said thirty-first day of December one thousand eight hundred and ninety-five and to be received on policies in each of the said three classes of the Society shall be credited to the fund of that class and also interest on the sums from time to time standing to the credit of such classes respectively at the average rate of interest obtained on the investments of the Society :

(5) The fund for the time being standing to the credit of each of the said classes shall be debited with such proportion of the general expenses of the Society as shall be determined by the directors and with all claims and demands arising by death or otherwise since the thirty-first day of December one thousand eight hundred and ninety-five on or in respect of the policies of that class but in the event of any one or more of such funds proving inadequate to meet any such claims and demands resort may be had to the other funds or assets of the Society for the purpose of meeting the same :

(6) The surplus or profits of the non-profit class shall at the end of each valuation period be carried to the credit of class A and the with-profit class of the Society in proportion to the amounts of the premiums that shall have been received in those classes respectively in that valuation period and shall be applicable in the same manner as surplus or profits of those classes respectively :

(7) If at any time the fund of any class shall show a deficiency the sum requisite to make good that deficiency shall be transferred to the credit of such class from the funds of the other existing classes of the Society in proportion to the amounts of the premiums that shall have been received in those classes respectively in the last valuation period but such sums (if any) so transferred shall be retransferred to the class or classes from which they were borrowed with interest thereon at such rate not exceeding five per centum per annum as the directors may determine so soon as the funds of the deficient class or classes shall be sufficient for that purpose.

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Apportionment and application of profits of Class A.

8. The surplus or profits of class A of the Society or such proportion thereof as the directors shall from time to time determine shall be apportioned and applied in the manner provided by article 79 of the existing articles of association of the National Society and the fund of that class shall be maintained and shall be applicable exclusively as aforesaid so long as any of the class A policies are in existence and on the determination of the last of such policies the said fund shall be wound up and discontinued by the directors.

Apportionment of profits to the with-profit class.

9. In the apportionment from time to time of the surplus or profit amongst the members of the with-profit class regard shall be had to the said estimated surplus of thirty-two thousand one hundred and seventy-three pounds so that the said estimated surplus shall from time to time as the directors shall determine be apportioned among the persons who shall be the holders of policies which at the commencement of this Act are policies in series A of the Mutual Society in addition to such apportionment as they may be entitled to in the apportionment of the balance of such surplus or profit amongst the policy-holders of that class.

Transfer of liabilities to the Society.

10. Subject to the other provisions of this Act all policies bonds and other obligations and generally all contracts debts and liabilities of whatsoever kind granted issued made incurred or undertaken by the Mutual Society or the National Society and existing immediately before the commencement of this Act shall be valid and operative against the Society and the funds thereof as fully and effectually as if the same had been granted issued made incurred or undertaken by the Society after its registration under the authority of this Act and this section shall have effect notwithstanding anything contained in the memorandum of association.

Saving for existing actions &c.

11. Nothing in this Act shall cause the abatement or discontinuance of or in anywise prejudicially affect any action arbitration or other proceeding or cause of action arbitration or proceeding pending or existing by or against the Mutual Society or the National Society either solely or jointly with any other company or person immediately before the commencement of this Act but the same may be continued or enforced by or in favour of or against the Society to the same extent as the same might have been continued or enforced by or in favour of or against the Mutual Society or the National Society as the case may be if this Act had not been passed.

Membership of Society.

12. The members of the Society shall be the persons who immediately before the commencement of this Act were members of the Mutual Society or of the National Society and all persons who shall hereafter either solely or jointly with any other person have effected assurances with the Society on the profit scale of premiums and

whose assurances shall be in force and the executors and administrators of every deceased person who solely and of the survivor of any two or more deceased persons who jointly have effected any such assurance which shall be in force Provided always that upon the termination of any assurance by death lapse avoidance or surrender the person who for the time being was a member in respect of such assurance shall (subject to the provisions contained in section 38 subsections 1 2 3 and 6 of the Companies Act 1862 which subsections are hereby incorporated with this Act) cease to be a member of the Society in respect of such assurance Provided that in the case of the death of a person who shall be a member of the Society in respect of an assurance upon the life of another the personal representatives of such member shall have the option of exchanging such assurance for a policy of assurance upon the non-profit scale of premiums for such a sum as the actuary of the Society shall certify to be the value of the policy for which it is to be exchanged such option to be exercised within the period of three months from the date of the death of the member (which period the directors of the Society may if they think fit enlarge) and to be signified in writing to the Society and if such representatives in the exercise of such option shall take in exchange a policy of assurance on the non-profit scale they shall not in respect of such policy or of the policy for which the same is substituted be or be deemed to have been members of the Society:

Provided also that the Society may by special resolution admit as members of the Society all or any persons who are members or policy holders on the with-profit scale of premiums of any other insurance company or society which may hereafter amalgamate with the Society or of which the business may hereafter be transferred to the Society.

Act to be registered.

13. A printed copy of this Act shall be deposited by the Society with the Registrar of Joint Stock Companies who shall receive and file the same and if such copy shall not be delivered to the Registrar within three months from the passing of this Act the Society shall incur a penalty not exceeding ten pounds for every day after the expiration of the said three months during which the Society shall omit to deliver the said copy and every director of the Society who shall knowingly and wilfully authorise or permit such default shall incur the like penalty and every penalty under this section shall be recoverable at the suit of the Crown and not otherwise.

Affidavits &c. on behalf of the Society.

14. Any affidavit statutory or other declaration and any answer or other similar document required from or by the Society may be made and verified by the actuary or secretary or by any director of the Society for and on behalf of the Society.

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Saving for general Acts.

15. Nothing in this Act shall be deemed to exempt the Society from the provisions of the Life Assurance Companies Acts 1870 to 1872 or of any other public general Act already passed or which may be hereafter passed affecting life assurance companies formed before the passing thereof.

Costs of Act.

16. The costs charges and expenses preliminary to and of and incidental to preparing obtaining and passing this Act shall be paid by the Society.

THE SCHEDULE.

Memorandum of Association of the National Mutual Life Assurance Society.

1. The name of the Company is the National Mutual Life Assurance Society.

2. The registered office of the Society is and will be situate in England.

3. The objects of the Society are to make assurances for lives to and between and for the benefit of its members upon the principle of mutual assurance so as to proceed without a fixed or permanent capital and to make general assurances on lives and survivorships and other legal assurances to the public at large including the members and to grant and purchase annuities for lives or on survivorships or for any definite period and generally to transact all descriptions of business ordinarily transacted by life assurance companies or known as life assurance business:

With power for the Society to carry on business beyond the limits of the United Kingdom and for that purpose so far as necessary to acquire and hold land and securities abroad and to appoint remove and empower local agents abroad and also with power for the Society by special resolution but not otherwise to amalgamate with or acquire and take over all or any of the assets liabilities and business of any insurance company transacting business similar to that of the Society for such consideration and on such terms as may be agreed and to continue fulfil or renew any contracts or engagements and satisfy any liabilities of such company:

Provided always that no greater sum than ten thousand pounds (exclusive of bonus additions) shall at any one time stand at the Society's own risk on any one life and in every case in which the directors issue a policy by which the aggregate sum assured on one life shall be more than ten thousand pounds (exclusive as aforesaid) they shall at the time of issuing such policy take out one or more guarantee or reassurance policy or policies to the amount of the

excess from such other life assurance company or association or companies or associations as they may think fit and they shall maintain every such guarantee or reassurance policy so long as is necessary to limit their own risk to ten thousand pounds on such one life Provided also that no annuity on any contingency whatsoever of greater amount than one thousand pounds per annum shall at any time stand at the Society's sole risk and in every case in which the directors shall grant an annuity of more than one thousand pounds per annum they shall at the time of granting such annuity obtain a grant to the Society from such other life assurance company or association or companies or associations as they may think fit of any excess of the said annuity beyond the said sum of one thousand pounds per annum.

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