CHAPTER vii.

An Act to confer further powers on the Scottish Widows Fund and Life Assurance Society and on the ordinary court of directors thereof and for other purposes. A.D. 1891.

[11th May 1891.]

WHEREAS by the Scottish Widows Fund and Life Assurance Society's Incorporation Act 1861 the Scottish Widows Fund and Life Assurance Society (herein-after called "the Society") was incorporated upon the principle of mutual assurance for securing provisions payable or arising upon the termination of lives or upon survivorship and for granting annuities and for other purposes as therein mentioned and by that name is entitled to carry on business according to the deed of constitution and articles and regulations of the Society bearing date the twenty-ninth day of July one thousand eight hundred and fourteen and subsequent dates and recorded in the books of council and session in Scotland on the fourth day of October in the same year: 24 & 25 Vict. c. lxxxv.

And whereas by the Scottish Widows Fund and Life Assurance Society's Act 1882 (herein-after called "the Act of 1882") the constitution articles and regulations of the Society were amended and consolidated: 45 & 46 Vict. c. lxxv.

And whereas by the Scottish Widows Fund and Life Assurance Society's Act 1883 (herein-after called "the Act of 1883") further powers were conferred on the ordinary courts of directors of the Society: 46 Vict. c. xxii.

And whereas it is expedient to confer on the Society and on the ordinary courts of directors of the Society such further powers as this Act contains:

And whereas doubts have arisen as to whether in the case of assignments to the Society by way of security for moneys borrowed of policies granted by the Society any policy so assigned is not

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extinguished by such assignment and it is expedient that such doubts should be removed:

But these objects cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows:—

Short title.

1. This Act may be cited for all purposes as the Scottish Widows Fund and Life Assurance Society's Act 1891.

Interpretation.

2. In this Act the expression "the Society" means the Scottish Widows Fund and Life Assurance Society the expression "ordinary court" means an ordinary court of directors of the Society the expression "fundamental tables" means the fundamental tables of the Society referred to in section 19 of the Act of 1882 and the expression "contingent prospective additions" means the contingent prospective additions referred to in section 58 of that Act.

Extending powers of the Society of effecting assurances.

3. The Society is hereby empowered to grant policies of assurance against the event of issue being born to any person specified in any such policy and for securing provisions payable in the event of or commencing on such issue being born or at any period after such issue shall be born either within a definite period or during the life of any person specified in such policy.

Investment of funds.

4. With regard to the investment of the funds of the Society the following provisions shall apply and have effect:—

1. In all cases in which by the Act of 1882 or by the Act of 1883 an ordinary court are authorised to lay out and invest the funds of the Society in or upon the bonds mortgages or debentures of any company the powers so conferred shall be deemed to include a power to lay out and invest the funds of the Society in the acquisition by subscription or by purchase of debenture stock either redeemable or irredeemable issued by such company;
2. It shall be in the power of an ordinary court from time to time to lay out and invest the moneys funds and property of the Society in or upon any kind or description of investments or securities whatsoever either by way of purchase or loan which shall be authorised by a resolution of the Society in force for the time being and it shall be in the power of an

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ordinary court at pleasure to alter change sell or dispose of any existing investments or securities or any investments or securities which may hereafter be acquired or taken on behalf of the Society and again to lay out the proceeds thereof from time to time in any authorised investments or securities;

Provided always that nothing in this Act shall be taken to abridge or affect the existing powers of an ordinary court to lay out and invest the funds of the Society at their discretion in or upon any of the investments or securities authorised by the recited Acts;

For the purposes of this sub-section a resolution of the Society is a resolution passed by a majority of not less than three-fourths of the members present at a general court of the Society called in accordance with the provisions of section 38 of the Act of 1882 and confirmed by a majority of the members present at another general court of the Society to be called in like manner such second general court being held not less than four weeks and not more than eight weeks after the first general court of the Society.

Investments may be made in name of trustees.

5. It shall be in the power of an ordinary court to direct any security or investment upon which funds of the Society shall be laid out to be taken in the names of two or more persons as trustees for behoof of the Society and such persons may be described in the security or investment so taken either as trustees for the Society or as individuals without mention of their character as trustees for the Society or in such other way or manner as may appear to an ordinary court to be expedient in the circumstances of each case or in accordance with the requirements of the laws of the country where such securities or investments are situated or made.

Amending section 34 of Act of 1882.

6. Section 34 of the Act of 1882 shall be read as if the following proviso were added thereto:—

"Provided always that nothing in this section shall be deemed to prevent the Society from time to time appointing any persons whether members of the Society or not selected by an ordinary court to be and to act as the attorneys of the Society either jointly or severally according to the terms of the appointment for all or any purposes connected with the investment of the moneys funds and property of the Society in the United Kingdom or elsewhere."

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Power to surrender contingent prospective additions.

7. It shall be in the power of an ordinary court to permit any policy holder to surrender at any time during the currency of any septennial period either for an immediate payment in money or in reduction of his future contributions the whole or any part of any contingent prospective additions to which the representatives of such holder would be entitled if his policy had become a claim upon the Society at the date of such surrender and an ordinary court shall on receiving a discharge of the said contingent prospective additions or such part thereof as aforesaid either pay to such policy holder a sum of money not exceeding the value thereof according to the fundamental tables or reduce one or more of the future contributions to such extent as having regard to the said tables shall in the opinion of the said court be equivalent in value to the amount of the contingent prospective additions so discharged Provided always that the surrender in whole or in part of any contingent prospective addition shall to the extent of such surrender operate as a discharge of the retrospective addition or additions which would otherwise have been made to the sum assured by the policy at the next succeeding period of investigation.

Guarantee fund.

8. It shall be in the power of an ordinary court to set apart and specially appropriate as a guarantee fund to secure the Society from any loss consequent on defalcations of any person from time to time in its employment or to contribute to any such guarantee fund that may be formed under their sanction sums not exceeding in all five thousand pounds and the administration of such guarantee fund shall be in the hands of the ordinary courts who may make such rules and regulations as to the application of such guarantee fund whether set apart or formed under their sanction as they may consider expedient Provided always that in the event of the accumulations of such guarantee fund exceeding an amount which an ordinary court shall consider necessary for the objects above specified they may pay over such surplus to a committee to be from time to time appointed under their direction who shall apply the same or any part thereof at their discretion for the benefit of any person who is or has been in the employment of the Society or of the widow or child or other dependent of any such person in such way or manner as they may see fit Section 50 of the Act of 1882 is hereby repealed.

Effect of assignment to the Society of its own policies.

9. No assignment to the Society whether dated before or after the passing of this Act by way of security for money borrowed of any policy granted by the Society shall be deemed to extinguish any obligation of the Society for payment of the sums assured

under such policy but the said policy and any such assignment thereof shall during the periods for which they are respectively granted have according to their respective terms full force and effect. A.D. 1891.

10. All costs charges and expenses of and incidental to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Society. Costs of Act.

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