CHAPTER lxxv.

An Act to consolidate and amend the constitution and articles and regulations of the Scottish Widows' Fund and Life Assurance Society; to confer further powers on that Society; and for other purposes. [3rd July 1882.] A.D. 1882.

WHEREAS by the Scottish Widows' Fund and Life Assurance Society's Incorporation Act, 1861, the said Society, which was formed at Edinburgh in the year 1814, 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, was incorporated by the name and designation of "The Scottish Widows' Fund and Life Assurance Society," 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 29th day of July, 1814, and subsequent dates, and recorded in the books of council and session in Scotland on the 4th day of October in the same year: 24 & 25 Vict. c. lxxxv.

And whereas the said deed of constitution and articles and regulations of the Society have, from time to time, since the institution of the Society in the year 1814 as aforesaid, been very much altered and added to by byelaws passed in terms of the laws and constitution of the Society; and it is expedient that the same should be consolidated, and that further provisions should be made by amendment thereof and additions thereto, for the better carrying on of the business of the Society; and that the recited Act should be amended, and certain provisions thereof repealed, and that further provision should be made for the conduct of the business of the Society:

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

A.D. 1882.

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:—

I.—Preliminary.

Short title.

1. This Act may be cited, for all purposes, as the Scottish Widows' Fund and Life Assurance Society's Act, 1882.

Interpretation.

2. In this Act the following words and expressions shall have the meanings hereby assigned to them respectively, unless there be something in the subject or context repugnant to such construction: (that is to say)—

The word "lands" shall mean and include lands, houses, buildings, messuages, and tenements of any description or tenure, and wherever situated;

The expression "the Society" shall mean the Scottish Widows' Fund and Life Assurance Society;

The expressions "the trustees," "the directors," "the manager," and "the secretary," shall mean respectively the trustees, the directors, the manager, and the secretary of the Society, all for the time being;

The word "person" shall include corporation.

Recited Act in part repealed.

3. Sections eleven and twelve of the recited Act are hereby repealed, and all the provisions of the said Act, in so far as inconsistent with the provisions of this Act, are hereby also repealed; but nothing herein contained shall be interpreted to affect the provisions of the said Act, except in so far as necessary to give effect to the express provisions of this Act.

II.—Constitution and Administration of Affairs of Society.

Constitution articles and regulations of the Society.

4. The provisions of this Act, and of the recited Act as amended by this Act, together with the articles and regulations set forth in the schedule to this Act, shall form the constitution, articles, and regulations of the Society from and after the date of this Act; and the same shall, to all intents and effects, supersede and come in place of the deed of constitution and articles and regulations of the Society, dated the 29th day of July in the year 1814, and subsequent dates, and recorded in the books of council and session in Scotland on the 4th day of October in the same year, and the byelaws since passed in terms thereof.

Laws of the Society.

5. The provisions of this Act, and of the recited Act as amended by this Act, together with the articles and regulations of the Society for the time being in force, are herein-after for the sake of brevity referred to as "the laws of the Society."

Existing rights reserved.

6. Nothing herein contained shall in any way injuriously affect, or derogate from, any rights, benefits, or interests of or belonging to any person or persons whatsoever, and now secured to such person or persons by the laws of the Society as presently existing; but all such rights, benefits, and interests are hereby reserved entire, as if this Act had not been passed.

Office of trustee abolished, and existing trustees to denude.

7. The office of trustee of the Society is hereby abolished; and the trustees already appointed, or the survivors or survivor of them, or their or his representatives, and any and every other person, shall, whenever called upon by any ordinary court of directors of the Society, be bound to convey and make over to the Society all or any of the property and securities of the Society, standing for the time in the persons of the trustees, or of any one or more of them, or of such other person or persons, and to execute all such deeds or writings as may be necessary for that purpose; and after the execution thereof the Society shall indemnify the trustees for all their actings as such.

Government and direction of Society's affairs.

8. The government, direction and superintendence of the affairs of the Society shall be vested in twenty-five extraordinary directors, or such other number of extraordinary directors as the laws of the Society may prescribe, of whom one shall be president, and not less than two nor more than six shall be vice-presidents of the Society, and in sixteen ordinary directors, or such other number of ordinary directors as may be prescribed as aforesaid, and in the members assembled at general courts of the Society, in the manner and to the extent herein-after provided.

Ordinary administration of Society's affairs.

9. The ordinary business and administration of the affairs of the Society shall be conducted and carried on by the ordinary directors, and by the manager, secretary, agents, and other officers and servants of the Society, to be appointed in manner after mentioned.

Qualification of directors.

10. The whole directors, ordinary and extraordinary, must be members of the Society, and have such interest therein as may from time to time be fixed by the general courts of the Society.

Election of directors.

11. A general election of ordinary and extraordinary directors shall take place annually at the general meeting or court of the Society.

A.D. 1882.

Four extraordinary and three ordinary directors to retire every year.

12. All the directors may be re-elected at such general court, excepting only that the vice-president first on the roll, the three senior extraordinary directors not holding the office of president or vice-president, and the three senior ordinary directors, shall go out of office, and shall not be again eligible as directors of the same class respectively until the next annual election.

Chairman at meetings.

13. At all meetings of ordinary courts of directors, the senior ordinary director present shall take the chair, and at all meetings of extraordinary courts of directors, and at all general meetings or courts of the Society, the chair shall be taken by the president of the Society, whom failing by the vice-president present who is the highest on the roll, and failing all the vice-presidents by the senior extraordinary director present, and failing any extraordinary director by the senior ordinary director present.

Chairman to have casting vote.

14. In all cases not otherwise specially provided for, questions shall be determined by a simple majority of the members present and qualified to vote; and in case of equality, including the person in the chair, such person shall have a casting vote over and above his original vote as a member of the meeting.

Numbers necessary to constitute ordinary and extraordinary courts of directors, and general courts of the Society.

15. Any three or more of the ordinary directors, assembled in manner after mentioned, shall be called an ordinary court of directors: any seven or more of the whole directors, ordinary and extraordinary, assembled in manner after mentioned, shall be called an extraordinary court of directors: and any twenty-one or more of the members, assembled in manner after mentioned, shall be called a general court of the Society: and such courts shall have the powers, and execute their several functions, in manner after mentioned.

III.—Admission, Contributions and Rights of Members.

Persons desirous of becoming members to sign a declaration.

16. Every person desirous of becoming a member of the Society shall sign and execute a declaration in writing, of such form as shall have been previously approved by an extraordinary court of directors; and such declaration shall bear reference to the laws of the Society, and state that such applicant is desirous of becoming a member of the Society, and shall set forth the benefit intended to be secured, and the age, occupation and state of health of the person or persons on the termination of whose lives, or the age of those on whose survivorship, as the case may be, the benefit is to depend.

Policy to be delivered to

17. If it shall appear to an ordinary court of directors, that any person making application as aforesaid is duly qualified to become

a member, and such person accordingly be duly admitted a member of the Society, a policy of assurance, subscribed by two ordinary directors and the manager or secretary of the Society, shall be delivered to the applicant, of such form as shall have been previously approved by an extraordinary court of directors; which policy shall bear reference to the laws of the Society, and to the declaration subscribed as aforesaid, and shall specify the benefit intended to be secured out of the fund, and the conditions and contingencies upon which the same is to be payable and to depend; and after delivery of such policy the person holding the same and paying the contributions shall be a member of the Society, and entitled to all the benefits and advantages thereof, corresponding to his interest as declared in the said policy, and in conformity to the laws of the Society.

Member on admission.

18. The contributions to be made by members shall be regulated by the age at entry, and by the nature and amount of the assurances or annuities secured, according to tables formed or to be formed from the fundamental tables after mentioned, with additions for expenses of management and other purposes, and approved by an extraordinary court of directors of the Society.

Contributions how to be regulated.

19. The tables of mortality deduced from the experience of twenty life assurance offices, as published by the Institute of Actuaries of Great Britain and Ireland in the year 1869, and the tables of the values of annuities and reversions deduced from the said tables of mortality, upon the supposition of money being improved at a rate of interest not exceeding three and a half per cent., are hereby declared to be, and shall be taken as, the fundamental tables of the Society, and the basis of all the calculations on which tables of net or pure premiums to be used in valuations, and the tables of rates of contribution to be made by members shall be framed; and the periodical investigations into the affairs of the Society shall be conducted under the orders of an extraordinary court of directors, according to the said fundamental tables, and also according to the established principles of calculation; and the position of the Society and the contributions and interest of the members shall be determined and regulated accordingly.

Fundamental tables of Society.

20. In the case of persons exercising any hazardous trade, profession, or occupation, or of persons subject to any disease having a tendency to shorten life, or of persons who from family history or otherwise cannot be considered to have an average expectation of longevity, or of persons going beyond the limits of free residence, the contributions shall not be according to the ordinary rates, but according to such higher rates as may be prescribed by an ordinary

Contributions by persons in hazardous professions, or subject to diseases.

A.D. 1882.

court of directors, who shall have full powers of fixing the rates for all such assurances, with reference to the special circumstances of each case.

Members to have a voice in the administration of Society's affairs.

21. Every member paying his contributions regularly, in terms of the laws of the Society, and acting in conformity thereto, shall have one vote at the general courts of the Society, in respect of any one or more policies; and upon the contingency happening on which the benefit expressed in any such policy arises, the person entitled to such benefit shall become a creditor of the fund in manner mentioned in this Act, and shall not in respect of such policy have any share or voice in the affairs of the Society.

Interest of members in Society's funds.

22. Every member shall have a joint and pro indiviso interest in the gross funds of the Society, in proportion to the value according to the laws of the Society of the policy issued in his favour.

Members to have power to assign their interest.

23. It shall be in the power of every member to assign and transfer his interest in the Society; but no assignee shall be entitled to vote at any general meeting or court, or be eligible for election to any office in the Society, until the assignation shall have been intimated to the Society, and the assignee have subscribed a declaration acceding to the laws of the Society; which laws shall be binding on every such assignee to all intents and purposes.

Books of Society, to whom to be open.

24. The books of the Society shall be open and patent, at all convenient times, to any of the directors of the Society who may choose to inspect the same. It shall not be in the power of any other member of the Society to insist upon inspection of the books, without having first obtained an order from a court of directors, or a general court of the Society, for that purpose.

IV.—Ordinary and Extraordinary Directors and their Courts.

Weekly meetings of directors. Three a quorum.

25. The ordinary directors shall meet for the dispatch of business once a week at Edinburgh; and any three or more of the ordinary directors assembled at such weekly meetings, or at any other meeting to which they may adjourn, or to which they may be specially called by a written notice from the manager or secretary directed to the whole ordinary directors, shall be an ordinary court of directors, and may exercise all or any of the powers hereby conferred on the ordinary directors, and shall have power to conduct, order, and direct the ordinary business of the Society, agreeably to the laws of the Society.

Ordinary court may appoint agents, clerks, and other officers.

26. An ordinary court of directors shall have power to appoint such agents as they may select for conducting the business of the Society in the United Kingdom or elsewhere; and to appoint clerks and other officers of the Society, excepting those whose appointment rests, in terms of the laws of the Society, with an extraordinary court of directors; and to fix, from time to time, the emoluments of such agents, clerks, and other officers, and to suspend or remove them when they shall think fit, without being obliged to assign any cause therefor.

Reference may be made to an extraordinary court.

27. In case at any time one third of the directors present at an ordinary court of directors shall be of a different opinion from the majority, it shall be in the power of the dissentient members of the court to require the matter, upon which such difference of opinion shall have arisen, to lie over and be referred to an extraordinary court of directors, either assembled at their next stated meeting, or at a special meeting to be called for the purpose; and such matter shall, in that case, lie over and be referred accordingly.

Extraordinary court, when and how to be called.

28. In case one third of the directors present at any ordinary court, and differing in opinion from the majority as aforesaid, or in case at any other time the president of the Society, or any two of the vice-presidents, or any three of the directors, shall require an extraordinary court of directors to be called for considering and giving directions as to the business of the Society, the whole directors, both ordinary and extraordinary shall be summoned, by letter from the manager or secretary, to attend such extraordinary court, at the time and place appointed, which shall not be till ten days at least after the time of requisition, and such letter shall specify the business upon which the court is convened.

Ordinary court, may devolve powers on committees.

29. An ordinary court of directors shall have power, from time to time when they may think it necessary, to appoint committees of the ordinary directors, to whom they may commit any of the powers of the ordinary directors, subject to such rules as they may deem proper, and such committees shall report minutes of their proceedings to the next ordinary court of directors.

Meetings of extraordinary court. Seven a quorum.

30. Besides the special meetings to be called as aforesaid, there shall be one stated meeting of the extraordinary court of directors, upon the third Tuesday of March yearly, or on such other day in each year as the laws of the Society may prescribe; and any seven or more of the directors, either ordinary or extraordinary, present at such special or stated meeting, shall constitute an extraordinary court of directors, and may execute all or any of the powers hereby conferred on any extraordinary court of directors.

A.D. 1882.

Extraordinary court to direct affairs in all extraordinary cases.

31. An extraordinary court of directors shall have power to order, direct, and administer the affairs of the Society in all extraordinary cases, not falling within the powers of ordinary courts of directors, agreeably to the laws of the Society; and also to consider and determine upon all matters, relative to the affairs of the Society within the powers of ordinary courts of directors, that shall be referred to them by any ordinary court in manner aforesaid.

Extraordinary court to fix addition to net rates to meet expenses, &c.

32. An extraordinary court of directors shall have power, from time to time, to fix the amounts by which the net or pure premiums contained in the rates of contribution to be made by future members shall be increased, in order to provide for expenses of management and other purposes; and also to alter the terms on which the contributions payable under the policies shall be redeemable: Provided always that, after the rates shall have been fixed as aforesaid, it shall not be in the power of the directors to increase the contributions of such persons as have entered according to such rates.

Extraordinary court to appoint manager, secretary, &c. and to fix and modify their emoluments.

33. An extraordinary court of directors shall have power, from time to time as vacancies occur, to appoint fit and proper persons as manager, secretary, actuary, auditors, medical officers, and law agents; and to fix and modify their respective salaries and emoluments, as they shall see cause; and they may in their discretion grant retiring allowances by way of annuity to persons in the employment of the Society, or vote sums of money to be paid to them by way of honorarium, either during their employment or upon their retirement.

Extraordinary court to appoint local directors.

34. An extraordinary court of directors shall have power to appoint local directors in the United Kingdom and elsewhere: Provided always that each local director so appointed shall be a member of the Society, and shall have an interest therein to the extent required as the qualification of an ordinary director; and such local directors, being so appointed, shall have such power to act within their respective districts, on matters relating to the business of the Society, as shall be conferred on them by an extraordinary court of directors; and they shall continue to act for such time, and according to such rules, as shall be ordained and prescribed by any extraordinary court of directors.

Extraordinary court may suspend or remove officers.

35. An extraordinary court of directors shall have power to suspend or remove from his office, when they shall think fit, without being obliged to assign any cause therefor, any officer of the Society whose appointment rests with the said court: Provided always, that although the suspension of a manager or secretary may be carried into immediate effect, yet the removal from office

shall not be carried absolutely into effect until the same shall have been approved of by an extraordinary court of directors, specially called for the purpose, upon a premonition of not less than three nor more than six weeks, and at which not less than fifteen directors shall be present.

Extraordinary court may make byelaws.

36. An extraordinary court of directors shall have power to make byelaws and ordinances for conducting the affairs of the Society: Provided always, that the same be not inconsistent with the laws of the Society.

Reference may be made to general court.

37. In case one third of the directors present at any extraordinary court of directors shall be of a different opinion from the majority, it shall be in the power of the dissentient members of the court to require the matter, upon which such difference of opinion shall have arisen, to lie over and be referred to a general court of the Society, either assembled at the next annual meeting, or at a special meeting to be called for the purpose: Provided always, that the time of holding such general court shall not be less than three months from the time at which the matter in dispute shall have been considered by the directors as aforesaid; and the said matter shall lie over and be referred accordingly.

Special general courts, when and how to be called.

38. In case one third of the directors present at any extraordinary court of directors, and differing in opinion from the majority as aforesaid, or in case at any time the president of the Society and any two of the vice-presidents, or any nine of the directors, or any number not less than twenty-five of the members of the Society, holding policies for sums assured amounting in all to not less than fifty thousand pounds, exclusive of additions by way of bonus, shall require a general court of the Society to be called, for considering and determining any matters relating to the affairs of the Society, the manager or secretary shall call such court accordingly, by advertisement in such newspapers published in Edinburgh, Glasgow and London, as an ordinary court of directors shall appoint, once a week for four successive weeks previous thereto, and shall shortly specify in the advertisement the purpose for which the meeting is called.

V.—General Courts of the Society.

Annual general meetings of the Society.

39. Besides the special courts to be called as aforesaid, there shall be a stated annual general meeting or court of the Society held in Edinburgh upon the first Thursday of April yearly, except in the year immediately following the close of each septennial period, when the stated general meeting or court of the Society

A.D. 1882.

shall be held on the fourth Friday of May, unless some other day or days of meeting shall be prescribed by the laws of the Society, in which case the said meeting or meetings shall be held on the day or days so prescribed; at which stated annual general meetings or courts the members present shall elect the directors, ordinary and extraordinary, in manner before prescribed, whether the number present shall be sufficient to constitute a general court or not; and any twenty-one or more of the members present at such general or special meetings shall be called and shall be a general court of the Society; and they shall have power to order and direct the affairs of the Society, agreeably to the laws of the Society.

Election of directors.

Twenty-one a general court.

General court may determine on matters referred from extraordinary court.

40. The general court of the Society shall have power to consider and determine upon all matters and questions relative to the affairs of the Society, within the powers of an extraordinary court of directors, that shall have been referred to them by any such extraordinary court as aforesaid.

General court to fix remuneration of directors.

41. The general court of the Society shall, from time to time, fix the fees and remuneration to be paid to the directors for their trouble and attendance, as to such court may seem just and reasonable.

Special meetings shall take up only business advertised.

42. All meetings called for particular purposes shall only take up and decide upon the particular business notified in the advertisement of such special meetings; and no extraordinary business shall be taken up at any annual court of the Society, unless the same shall have been previously notified in the newspapers as herein-before prescribed, or a motion shall have been made to that effect at the general court immediately preceding.

VI.—Manager and Secretary of the Society.

Manager and secretary to hold office for life.

43. The manager and secretary of the Society, and their successors in office, to be appointed in manner foresaid, shall continue in their respective offices during their lives, but subject to suspension or removal in manner herein-before mentioned.

Manager and secretary to observe directions.

44. The manager and secretary shall observe and perform all the directions of the ordinary and extraordinary courts of directors and general courts of the Society.

Manager to find caution.

45. The manager shall, previous to his entering upon his office, find sufficient caution for his intromissions and faithful management, to the satisfaction of an extraordinary court of directors, for such a sum as they shall think proper.

VII.—Execution of Documents.

Dispositions and other deeds, &c., how to be executed.

46. All dispositions, or other writs, titles, or securities, which have already been taken to the Society, or the trustees thereof, and the survivors or survivor of them, and the heir of the survivor, or to any other person or persons, or otherwise, for behoof of the Society, or which may hereafter be taken to the Society, and all lands and other property, heritable or movable, real or personal, therein contained or thereby secured, shall be legally executed, disponed, conveyed, assigned, transferred, discharged, and renounced, by any two or more of the ordinary directors of the Society, along with one or other of the manager or secretary, with or without the common seal of the Society, and such subscription on behalf of the Society shall be equally binding and effectual, whether attested by witnesses or not.

VIII.—Investment of Funds.

Investment of Society's funds.

47. It shall be in the power of an ordinary court of directors to direct such part of the funds of the Society as they shall think proper to be laid out in any of the three following classes of securities and investments, viz.:—

(First.) The securities and investments after mentioned, sanctioned by the laws of the Society prior to 10th September, 1844, that is to say:—

Loans on heritable security.

The purchase of Government funds.

The purchase of stock of the Bank of England.

The purchase of stock in any bank in Scotland, established by charter or Act of Parliament.

The purchase of annuities upon lives, or for a term of years certain, upon heritable security.

The purchase of feu duties.

Bonds, bills or promissory notes, or agreements therefor, granted by any policy holder of the Society, to an amount not exceeding the value of any policy which shall have been assigned, or agreed to be assigned, to the Society as a collateral security.

Loans upon the security of an assignation to a policy or policies of assurance issued by any life office: Provided always that the loan or advance do not exceed the then existing value of such policy or policies, as ascertained according to the rule adopted in the calculations of the Society's own policies.

Loans upon the security of the Government funds.

A.D. 1882.

(Second.) The securities and investments after mentioned, that is to say:—

The purchase of ground annuals out of lands in Scotland.

The purchase of ground rents, head rents, chief rents, or rentcharges arising out of lands in the United Kingdom.

The purchase of annuities granted by the Commissioners for the Reduction of the National Debt, or by any department of the State; or by any assurance company or society; or by any public company; or by any county or municipal or other local authority or body, and secured upon the rates or tolls leviable under any Act of Parliament.

The purchase of bonds, mortgages, debentures, debenture stock, guaranteed or preference stock, or guaranteed or preference shares of any railway, or canal, or water, or dock, or harbour company, or navigation trust, in the United Kingdom, incorporated by Act of Parliament, and paying dividends on ordinary share capital where such exists.

The purchase of vested or contingent reversionary estates and interests in lands in the United Kingdom, or in any of the securities specified in the first class, or in this second class, which the Society is authorised to hold as investments.

The purchase of life interests, and interests determinable on life, whether immediate, postponed, vested, or contingent, in lands in the United Kingdom, or in any of the securities specified in the first class, or in this second class, which the Society is authorised to hold as investments.

Loans upon the security of rates or assessments leviable under any Act of Parliament; and loans on any of the securities and investments specified in this second class.

(Third.) The securities and investments after mentioned: Provided always that no securities or investments other than those specified in the first or second class above mentioned shall be taken, unless the same be approved by at least three fourths of the whole ordinary directors of the Society, that is to say:—

The purchase of lands, houses, or real property, held by whatever tenure, that may be purchased or acquired by the Society for the purposes of business premises, or in connexion therewith, and all rights and interests therein, not exceeding in all ten acres in extent.

The purchase of Government stock, funds, bonds, or other Government securities of India, or any of the presidencies thereof, or any colony or dependency of the United Kingdom, or France, or Holland, or the Empire of Germany, or the United States of America.

The purchase of stocks or shares of any railway or other company having a fixed rate of dividend or interest guaranteed by the British Government, the British Indian Government, the Secretary of State for India, or the government of any colony or dependency of the United Kingdom.

The purchase of bonds, mortgages, debentures, debenture stock, guaranteed or preference stock, or guaranteed or preference shares of any railway, or canal, or water, or dock, or harbour company, or navigation trust, in India or any colony or dependency of the United Kingdom, and paying dividends on ordinary share capital, where such exists.

The purchase of mortgages, bonds, debentures, debenture stock, or other securities of any municipal or local authority or body in India, or any colony or dependency of the United Kingdom, and secured upon the rates or tolls leviable by such authority or body.

Debentures of, or deposits with any company having its head office in Great Britain or Ireland, and authorised to take money on debenture or deposit.

Loans upon any of the securities in this third class, and loans upon mortgage or security of any of the following, that is to say:—

Lands of any tenure in any colony or any dependency of the United Kingdom, or any estate or interest in any such lands.

Ordinary stock, or fully paid up shares of any railway, canal, water, or dock company in the United Kingdom, or India, or any colony or dependency of the United Kingdom, paying dividends on their ordinary share capital.

No investment to be made merely on personal security, or that involves liability.

And it is hereby expressly provided that nothing herein contained shall be held to empower any court of directors, or any number of the directors, to order any part of the funds of the Society to be invested in any stock or shares of any company that are not fully paid up, or in any stock or shares the holding of which may involve any liability; or to be lent out on the merely personal obligation of any one or more individuals, irrespective of

A.D. 1882.

other sufficient security; but such personal obligation shall only be taken and held in conjunction therewith, or in corroboration thereof; and it shall be in the power of any ordinary court to alter, change, sell or dispose of the securities and investments in the three classes aforesaid, or any of them, at pleasure, and again to lay out the proceeds thereof from time to time in terms of the laws of the Society.

Bank account to be opened and advances may be obtained.

48. The ordinary directors shall open banking accounts in name of the Society with such banks as they, in their discretion, may select, and such accounts shall be operated on by such of the ordinary directors, officers, or agents of the Society as the ordinary directors may authorise to that effect, and under such regulations and conditions as may be made, from time to time, by the ordinary directors; and if at any time the ordinary directors shall deem it expedient, in the interests of the Society, to obtain advances by over-draft or otherwise from any one or more of such banks, or to receive advances on deposit from any public company or individuals, the ordinary directors shall have power to do so, for such amounts and on such terms and conditions as they may approve.

Property of the Society may be held and retained as long as deemed expedient.

49. It shall be lawful for the Society to hold and retain under its existing titles, or any others which may be completed thereto, whether in its own name or for its behoof, so long as its directors acting for the time may deem it expedient, all its existing property, whether in land or houses, presently belonging to it, and generally all heritable and movable, real and personal property, and all securities and investments of every description which it has already acquired in terms of its constitution existing for the time, or may acquire at any time hereafter.

Power to subscribe to a guarantee fund.

50. It shall be lawful for the Society to contribute, to any fund that may be formed under the sanction of the Society, to secure it from any loss consequent on defalcations of any person from time to time in its employment, sums not exceeding in all two thousand pounds.

IX.—Claims against the Funds of the Society.

When members become creditors on the funds.

51. Whenever the contingency happens, upon which the benefit expressed in any policy issued to a member of the Society depends, the person entitled to such benefit shall, upon proof satisfactory to an ordinary court of directors of such contingency having happened, become a creditor of the funds of the Society for the sum of money or annuity payable under and by virtue of such policy; but it is hereby expressly provided and declared, that no member of the

Society shall in his individual capacity incur, or in any sense be deemed or held to be liable to, any personal responsibility, for any sum or sums that shall happen to become due, in virtue of any policy that may at any time be granted or issued in name of the Society; and all persons having claims against the Society, in virtue of any such policy, shall be entitled to make such claims effectual only against the proper funds of the Society, and shall in no case or event whatever be entitled to make any demand or claim, for or on account of the sums so falling due, against any individual member of the Society; and it shall not be competent to nor in the power of the Society or the directors, on any account or occasion whatsoever, to make any call upon any individual member of the Society, for any sum of money, in addition to the contributions conditioned to be paid by them respectively, in terms of the policies which formed the basis of their connexion with the Society, without the consent of each member, so called upon, first had and obtained.

Liability and exoneration of directors and office-bearers.

52. The directors of the Society shall not be liable for omissions, nor in solidum, but each only for his own acts and deeds; and they and the manager and other office-bearers of the Society shall be exonerated upon accounting for, paying over, or conveying the funds in their hands, or under their control, in terms of the laws of the Society, and shall be idemnified, out of the first and readiest of the funds, of all expenses necessarily incurred by them in the execution of their respective offices.

Time of payment of policy may be anticipated; and payment may be made before same is exigible.

53. It shall be optional to parties entitled to receive and discharge sums becoming payable at the end of six months after death, either to abide the arrival of the term of payment, or to anticipate the same, at a day not earlier than three months after satisfactory proof of the decease, by giving fourteen days premonition of their demand of payment, and allowing discount thereon, at the rate of four per cent. per annum, from the anticipated day of payment till the expiry of the six months; but sums payable under policies may be paid, if a general court of the Society think fit, before the time when the same shall be exigible in terms of the policies, and without deduction of discount.

Policies, &c., may be paid on production of probates or letters of administration obtained in India or in British colonies.

54. Where any sum of money shall be payable by the Society, under any policy or otherwise, to the executors or administrators of any person deceased, it shall be lawful for an ordinary court of directors, if they shall think proper, to make payment of such sum to such executors or administrators, on production to such court of any probate of the will of such person deceased, or letters of administration of his estate, whether obtained in India or in any

A.D. 1882.

British colony or dependency, whatever may be the country in which such policy may have been issued, or such person deceased may have been domiciled, or such sum of money may have been payable or be paid; and, on such title being so accepted, and such payment made, the title of such executors or administrators shall be deemed to have been sufficiently established, in the same manner and to the like effect as the title of the executors or administrators of a person deceased may, under the provisions of the sixteenth section of the recited Act, be established by production of a probate of the will of such person, or letters of administration of his estate, whether in England or in Ireland, or by production of the confirmation of the executors of such person expede in Scotland.

Provision for policies effected by persons resident in England or Ireland.

55. Every policy effected with the Society by any person described in such policy as of any place in England, shall be deemed to be a policy effected in England with an insurance society having its domicile and head office in the city of London; and every policy effected with the Society by any person described in such policy as of any place in Ireland, shall be deemed to be a policy effected in Ireland with an insurance society having its domicile and head office in the city of Dublin; and in both cases these provisions shall take effect, notwithstanding that it may appear on the face of such policy that the same was not in fact effected in England or Ireland.

Assignments valid if made according to custom of country where made.

56. All assignments and discharges of policies of the Society, if executed out of the United Kingdom, shall, as regards the execution thereof, be valid and effectual if made and executed according to the usual mode of making and executing such documents in England, Scotland, or Ireland, or in the country or place where the same shall have been made or executed, in like manner and to the same effect as assignments and discharges are, under the provisions of the seventeenth section of the recited Act, valid and effectual if made and executed according to the usual mode of making and executing such documents, whether in Scotland, England, or Ireland.

X.—Investigation of Affairs of Society, and Distribution and Appropriation of Surplus Fund.

Septennial investigation of Society's affairs.

57. There shall be a periodical investigation of the Society's affairs made at the end of every seven years, as heretofore, by the manager or such other person or persons as the ordinary directors may appoint to make the same, in which the whole assets and liabilities of the Society present and prospective shall be brought into account; and if the total sum of the assets shall exceed the

total sum of the liabilities, an amount not more than the excess of the assets shall, subject to the laws of the Society, be divided among the members, except such of them as shall not be entitled to participate in the surplus funds of the Society; and such investigation and division shall be made in manner following:—

How to be made.

The assets shall be held to be the entire funds and property of the Society of every description, after deducting the value of the annuities and other claims presentable from the Society; and the liabilities shall be held to be the value according to the laws of the Society of the policies of all the members; and if it shall appear that the total amount of the assets shall exceed the total amount of the liabilities so ascertained, then it shall be lawful for the directors, assembled at the stated extraordinary court next after such investigation, or at any other meeting to which such court may adjourn, or at any meeting specially called for the purpose, and they are hereby enjoined, to order and appoint a sum not exceeding such excess of the assets to be divided, subject to the laws of the Society, among the members entitled thereto, in the form of reversionary additions to their policies, payable in the events on the occurrence of which the original sums assured under their policies respectively become due, by way of an equal per-centage, calculated on such portion of the original sums assured, and additions thereto made at any previous period of investigation, as may be in force at the date of investigation for the time being, in proportion to the number of annual contributions due and paid since the date of the investigation immediately preceding, or the date of the policy if the same shall have been issued after the date of such immediately preceding investigation.

Surplus to be divided.

Contingent prospective additions to be made between periodical investigations.

58. Contingent prospective additions shall, subject to the laws of the Society, be made to the benefits which may happen to emerge, after an order has been made for retrospective additions at any period of investigation, and before the stated period of investigation next ensuing, in manner following, viz.:—

In the event of retrospective additions being made to the benefits of the policy holders at any period of investigation, contingent prospective additions shall also, subject to the laws of the Society, be made to all the benefits entitled to additions in terms of the regulations herein-before contained, which shall emerge and become debts chargeable upon the fund before the period of investigation next ensuing, such additions to be a per-centage on the amount of the benefits so emerging, as the

A.D. 1882.

same stand upon the books of the Society at the time, including any addition that may have been made thereto at the period of investigation immediately preceding the time when the benefit emerges, at such rate, lower than the rate of retrospective addition declared at the said immediately preceding period of investigation, as an extraordinary court of directors may order and appoint, and in proportion to the number of annual contributions that may have become due and been paid, in reference to the several benefits so emerging respectively, reckoning from and after the said immediately preceding period of investigation, or from the date of the assurance, if later, to the period when the benefit shall emerge inclusive, such contingent prospective additions to form a charge upon the profits of the period during which the benefits emerge.

Retrospective additions may be surrendered for cash or for reduction of contributions.

59. In case any policy holder entitled to retrospective additions to his policy shall signify his desire to surrender the said additions, or any part thereof, for an immediate payment in money, or in reduction of his future contributions, the ordinary directors shall, on receiving a discharge of the said additions, either pay to the said policy holder a sum of money not exceeding the value thereof, according to the fundamental tables of the Society, 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 directors be equivalent in value to the additions so discharged.

Right to participation in surplus may be converted into deduction from contributions.

60. The ordinary directors shall have it in their power, in such cases as they shall see fit, and on the application of members to that effect immediately on their entry, to convert, into a deduction from the future contribution or contributions payable under their respective policies, all right or claim to a share of or participation in any surplus fund or profit, which may be ascertained to exist at any subsequent investigation that may be made into the affairs of the Society during the subsistence of the policy on which the benefit depends.

XI. Alteration of Articles of Constitution of the Society.

Rules to be observed in case of altering articles of constitution.

61. If it shall at any time appear to be expedient to repeal, alter or innovate any of the articles and regulations set forth in the schedule to this Act, it shall be in the power of any director to make a motion to that effect in any extraordinary court of directors; whereupon such court shall appoint the same to be considered, in another extraordinary court of directors, either in a stated meeting, or in an extraordinary meeting to be called for the purpose; and

the manager or secretary shall give notice by letter to the whole directors of such motion, and of the day when it is to be considered, at least three weeks previous thereto; and if three fourths of the directors present at the extraordinary court at which the said motion is appointed to be considered shall be of opinion that the repeal, alteration or innovation proposed would be of advantage to the Society, they shall appoint such motion to be considered and determined upon at the next general court of the Society; and shall publish notice thereof, and of the intention to submit the same for consideration and determination at such general court, by advertisement in such newspapers published in Edinburgh, Glasgow and London, as the directors may appoint, once a week for four successive weeks previous to the holding of such general court; and if three fourths of the members present at such general court shall vote for carrying the motion in question, the same shall be again considered at another general court, at the distance of not less than six months thereafter, to be advertised as aforesaid; and if three fourths of the members then present shall vote for carrying the said motion, the same shall be carried accordingly; and a resolution shall be entered in the minutes of the meeting to that effect; and a copy of such resolution, subscribed by the chairman of the meeting, shall be recorded in the books of council and session, and form a part of the articles and regulations of the Society, and be held as referred to in all declarations subscribed by persons afterwards becoming members of the Society, and policies issued in consequence thereof.

Rules to be observed in case of altering fundamental tables of Society.

62. If it shall be at any time deemed expedient to adopt new fundamental tables, based on a lower rate of interest than three and a half per cent., or on a different scale of the probabilities of human life from those hereby declared to be the fundamental tables of the Society, it shall be in the power of any director to make a motion to that effect in any extraordinary court of directors, which motion shall be taken up in another extraordinary court of directors, duly notified in manner herein-before provided; and if three fourths of the directors then present shall be of opinion that the proposed alteration would be a proper measure, such extraordinary court shall remit the consideration thereof to three or more actuaries of known skill and experience, who shall report upon the propriety thereof, and upon the fitness of the proposed lower rate of interest or different scale of human mortality for answering the purposes of the Society; and if the said actuaries shall be of opinion that such rate of interest or scale of mortality would be more correct and equitable than the rate or scale then in use, and calculated to

A.D. 1882.

uphold the credit and permanence of the institution, the report shall be laid before a general court of the Society, after being duly notified in the manner foresaid; and if three fourths of the members present at such court shall approve of the report, the court shall give directions for adopting such lower rate of interest, or for applying to Parliament for power to adopt such different scale of the probabilities of human life, for ascertaining the financial position of the Society and determining the contributions and benefits of the members. The directors shall not have power to readjust the benefits of, or increase the contributions payable by, then existing members in accordance with the new tables so to be adopted; but an extraordinary court of directors may from time to time fix, in accordance with such new tables, the rates of contribution to be made by future members, as they may consider just and reasonable, with a view to substantial equality of contribution and benefit among all the members of the Society, and also, with a like view, reduce the future contributions of the said existing members.

XII.—Dissolution of the Society.

Society may be dissolved.

63. It shall be in the power of the members of the Society to dissolve the Society; but not until after such dissolution shall have been agreed to by four fifths of the members assembled at each of three successive general courts, at six months distance from each other, specially called and notified for three months before the time of each meeting, by advertisements, specifying the time and purpose of the meeting, to be inserted in at least two newspapers in each of Edinburgh, Glasgow and London.

How funds to be applied on dissolution.

64. In the event of the dissolution of the Society, the funds, after paying the debts due by the Society, shall be disposed of, in the first place, in securing to annuitants, and other claimants who have become creditors of the fund, the full amount of their claims; and the balance shall be divided among the members, in proportion to their respective interests, as ascertained according to the rules herein-before prescribed.

XIII.—Costs of Act.

Costs of Act.

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

SCHEDULE referred to in the foregoing Act.

A.D. 1882.

Articles and Regulations of the Scottish Widows' Fund and Life Assurance Society.

Risk of Society limited to 10,000*l.* assurance.

1. The Society shall have power to issue policies of assurance for capital sums to such an amount as they may think proper: Provided always that no greater sum than 10,000*l.*, exclusive of bonus additions, shall at any one time stand upon the Society's own risk on any one life; and in every case in which the ordinary directors shall agree to issue a policy by which the aggregate sum assured upon one life would be more than 10,000*l.*, exclusive as aforesaid, they shall be bound, at the time of issuing such policy, to take out guarantee or re-assurance policies, to the amount of the excess, from such other life assurance associations as they may select; and the Society shall maintain such guarantee or re-assurance policies so long as is necessary to limit its own risk to 10,000*l.* on such one life; and no annuity shall be charged upon the funds of the Society, upon any contingency whatsoever, to a greater extent than one thousand pounds.

And to 1,000*l.* annuity.

Contributions how to be made.

2. Persons applying to be members of the Society shall have the option of making their contributions either by a single payment at the time of entry, or by equal annual, half-yearly, or quarterly payments, during the whole period of life, or by any other payments that may appear to the ordinary directors to be of equivalent value, and that may be agreed on.

Contributions may be converted into equivalents.

3. Members who have chosen to make their contributions by other than a single payment as aforesaid shall be entitled, at any time, to have their future payments, either in whole or in part, converted into an equivalent single payment, according to their age at the time; and, upon their paying down this equivalent sum, they shall be discharged of their future contributions to the extent agreed upon; and the ordinary directors, upon the application of any person in right of any policy, may at any time change the then subsisting method of making the contributions on such policy to any other method of equivalent value that may be agreed upon, in conformity with the immediately preceding article.

Limits within which persons whose lives are assured may, in time of peace, reside or travel.

4. Persons whose lives are assured by the Society may, in time of peace, reside or travel in any part of Europe, Malta, Egypt, the Holy Land, Madeira, the Canary Islands, the Cape Colony, Natal, the Australasian Colonies, and in any part of the world (Asia excepted) north of 33° of north latitude, or south of 30° of south latitude; and, not being seafaring persons, may pass and repass by sea from any one place within the above limits to any other such place, without application for or obtaining a license, or the payment of additional contribution or extra premium.

Events in which forfeiture of policy

5. If any member or other person, on whose death a sum of money or annuity is chargeable upon the funds of the Society, shall, within the time to which the

A.D. 1882.

shall take place.

policy in relation to such member or other person is limited, depart beyond the limits aforesaid, or shall enter into or engage in any military service, except in the United Kingdom, or naval service whatsoever, or in case any person being a member of the Society, on whose death a sum of money or annuity is, by the tenor of his policy, chargeable upon the funds of the Society, shall commit suicide, or in case it shall appear that any untrue averment is contained in the declaration of any member, as to the age, state of health, or description of such member, or other person therein named, and upon the faith of which any policy shall have been issued by and in name of the Society, then and in every such case the policy so issued shall be void, and all claim to any benefit out of, or interest in, the funds of the said Society, in virtue thereof, shall cease and determine, and all moneys that may have been paid in relation thereto shall belong to the Society.

Relief that may be given in cases of forfeiture.

6. The ordinary directors shall have power, upon an application by any person having an interest in any policy which shall become void by any of the events mentioned in the last article, to grant such relief as they may think fit, which, in the case of a cash payment, must not exceed the value of such policy immediately before the time the same shall become void as aforesaid; and the value of such policy shall be the excess of the value of the provision secured under the policy beyond the value of the net or pure premiums contained in the future contributions payable thereby, such excess to be increased, in the case of any assurance made in respect of a single payment, or of a limited number of payments, by the value of the unexhausted part of the contribution made in respect of expenses and other purposes.

License may be given to enter into any military service, or to go beyond free limits.

Article 4.

7. In case any member or other person, upon whose death any benefit is chargeable upon the funds of the Society as aforesaid, shall have occasion to go into any military service not excepted as aforesaid, or into any naval service, or to engage in any seafaring occupation, or to undertake voyages by sea, except as aforesaid, or to go beyond the limits before specified, it shall be in the power of an ordinary court of directors, upon an application made by or on behalf of such member or other person, to grant a license for any of these purposes, upon the policy holder becoming bound to pay such additional contributions or extra premiums as may be agreed upon, in conformity to the rules and regulations of the Society that may have been previously made in relation to such additional risks; and thereafter the policy in reference to which such license shall be granted shall not be liable to forfeiture in the case provided for in the said license.

If license not granted policy may be surrendered.

Article 6.

8. If the ordinary directors, upon an application made in any of the cases mentioned in the last article, shall not think it expedient to grant the license required, or in case the person requiring the same shall not agree to pay the additional contributions that may be demanded in consequence thereof, then such person shall be entitled to offer a surrender of his policy, and the directors shall thereupon be bound to receive the said surrender on the terms they usually allow, and they may also, if they think proper, make an addition to such surrender value, provided the amount do not exceed in all the value of the said policy, as before explained.

Holder of policy on life of another entitled to license to proceed beyond free limits, or to enter into military or naval service.

Article 4.

9. On application to that effect being made in writing, by or on behalf of any person holding a policy other than the person whose life is assured by it, the ordinary directors shall grant a license for the person whose life is assured to proceed to any place beyond the limits aforesaid, or to engage in military or naval service, provided that as soon as possible, and at the latest within sixty days after it may have come to the knowledge of the said policy holder, or any person acting on his behalf, to what part of the world the person whose life is assured has gone, the extra premium chargeable according to the scale of charges adopted by the Society for the time shall be paid by the policy holder, or applicant for the said license; and, if there shall be no fixed extra premium for such extra risk in the Society's then scale of charges, such extra premium as the ordinary directors for the time shall consider adequate to meet the same shall in that case be paid: Provided always, that if such application shall not have been made, and the said extra premium paid within the said period of sixty days—of the reckoning of which sixty days the ordinary directors shall be the sole judges—the policy shall, in terms of the laws of the Society, be declared forfeited; unless the directors present at the court when a question of this kind arises, shall be unanimously of opinion that relief from the penalty of forfeiture ought, in the special circumstances of the case, to be granted.

Policy to be forfeited if license not applied for and extra premium paid.

Extra premiums to cease in certain events.

10. In all cases where extra premiums have been agreed upon and become payable, in consequence of license being granted by the ordinary directors to parties whose lives are assured, in reference to their departing beyond the limits before specified, or entering into military or naval service, the said extra premiums shall ipso facto cease and determine on the return of the said parties within the limits allowed on an ordinary risk by the terms of the policies and the laws of the Society, or on the said parties relinquishing or ceasing to be engaged in such military or naval service.

Restriction as to residing and travelling abroad removed in certain events after five years.

11. Policies of assurance for the whole term of life, or joint life, or for the life of the longest liver of two or more persons, and policies of assurance payable on the death of the assured, or on the assured attaining a specified age, whichever shall first happen, shall after five years endurance, and provided that the person whose life is assured has attained the age of thirty, and is not a seafaring person, or in the army, and shall not, while assured with the Society, have proceeded to, or resided in, any country for which an extra premium is exigible, be ipso facto freed from all restrictions as to occupation, foreign residence and travel, and from all liability to payment of any extra premium in respect thereof.

Policy in existence for five years ipso facto free from liability to forfeiture on certain grounds, and whole-world license may be granted.

12. As soon as any policy shall have been in subsistence during five full and complete years from its date, without intimation of any challenge or objection as regards the truth and correctness of the statements on which such policy was granted, the age of the life assured having been proved to the satisfaction of an ordinary court of directors, and admitted by such court, such policy shall become, ipso facto, free from all liability to forfeiture upon any ground whatever, except that of nonpayment of the contributions or premiums, or the non-observance, without license, of the limits of residence and occupation prescribed by the policy, it being open to the holder of the policy or other person interested, but not entitled to the benefits of the immediately preceding article, to apply

A.D. 1882.

for a whole-world license to the assured, which may be granted with or without payment of any extra premium, as the ordinary directors may think proper.

Premiums to be paid within thirty days under penalty of forfeiture. Death within days of grace not to void policy.

13. All contributions shall be paid within thirty days from the term of payment, and failing payment within that time the policy of the defaulter shall become void, and the money previously paid shall be forfeited to the use of the Society; provided always that where any person whose life is assured shall die within thirty days from the term of payment of a contribution or premium, and while the same is unpaid, the policy shall not, in respect of such failure in payment, become void; but, subject always to deduction of the amount of such unpaid premium, shall be as valid and effectual as if such premium had been paid previous to the death.

Declaration of forfeiture to be made in minutes; but power to repone.

14. As soon as it shall come to the knowledge of an ordinary court of directors, that a policy of assurance has incurred the penalty of forfeiture, they shall cause an entry declaratory of such forfeiture to be made in their minutes; but any subsequent ordinary court of directors shall have full power to repone the person making default in payment of contributions, on such terms as they may deem expedient; provided always that no policy shall be revived after the lapse of one full and complete year from the date of the minute of the ordinary court of directors declaring the forfeiture thereof; and it shall be in the power of any ordinary court of directors to grant such relief as they may think fit in the circumstances of the case, which in the case of a cash payment must not exceed the value of such policy as before explained, immediately before the time when the same shall become void; and any ordinary court of directors may, at any time within fifteen months from the date of said minute, and on application to that effect, issue, in lieu of such forfeited policy, a single payment policy of such amount as the surrender value of the forfeited policy would at the date of the forfeiture have purchased, the terms and conditions of such single payment policy being the same as in the policy forfeited; and, in the option of the directors, effect may be given to such transaction, either simply by an endorsement on the original policy, or by the issue of a new single payment policy in lieu of the policy forfeited: Provided always that the ordinary court of directors shall report to the next ensuing stated extraordinary court of directors the circumstances of those cases in which they shall have exercised the powers aforesaid.

Single payment policy may be issued in lieu of forfeited policy.

Surrender value may be commuted for single payment policy.

15. Any member, the benefit under whose policy has acquired a surrender value, may, instead of making a surrender, commute such benefit for a single payment policy of such amount as the surrender value would purchase, the terms and conditions of such single payment policy being the same as in the original policy so commuted; and in the option of the ordinary directors, effect may be given to such transaction, either simply by an endorsement on the original policy, or by the issue of a new single payment policy in lieu of the policy commuted.

Notwithstanding policy becoming forfeited by reason of suicide, directors may order payment

16. In the event of any policy issued by the Society becoming void or forfeited by reason of suicide, it shall be in the power of an ordinary court of directors, after due inquiry into the circumstances under which the suicide was committed, to order payment of the whole, or of such portion of the sum contained in the policy, including any additions by way of bonus which had

accrued thereon, as said court shall consider equitable and proper: Provided always, that when payment shall be ordered of a sum greater than the value of the policy, calculated as on the day immediately preceding that on which the forfeiture took place, not less than two thirds of the members of the said court, who shall be present when the matter is disposed of, shall vote for or concur in the said order.

A.D. 1882.

of whole or a proportion of sum in policy. Article 6.

17. In case any policy of assurance shall be assigned, either in whole or in part, and the assignation be duly intimated, then so long only as the policy shall be held by a person different from the person whose life is assured, the condition of forfeiture, in the event of the person upon whose life the assurance was made committing suicide, shall be suspended, discharged, and annulled; but that only to the extent of the assignee's interest in such policy at the termination of the life assured.

Forfeiture of policy by reason of suicide suspended in certain cases.

18. The ordinary directors shall have power, and they are hereby enjoined to call for and inquire into such evidence as they may think proper relative to the circumstances stated in the declarations of all persons desirous of becoming members; and having considered the same, they may either reject the application of such persons without assigning any reasons, or they may admit them as members agreeably to the laws of the Society; but in all cases one third of the directors present at an ordinary court shall be sufficient to exclude an applicant, without further question.

Ordinary court to consider evidence of declarations, and to admit members.

19. The ordinary directors shall consider the evidence of all claims against the funds of the Society in virtue of any policy delivered as aforesaid; and upon being satisfied of the justice of such claims, they shall direct the payment thereof, in terms of such policy.

Ordinary court to consider evidence of claims.

20. If any member shall apply to the ordinary directors to have an assurance payable on the occurrence of one event substituted for an assurance payable on the occurrence of another event, or to have an assurance entitled to participation, or an assurance not entitled to participation in the surplus funds, or an assurance of any other class which the Society grants or may grant, substituted for an assurance of a different class, any ordinary court of directors may grant, such application, on the applicant agreeing to pay, in respect thereof, such sums and contributions as the said court may consider to be just and equal, and in accordance with the fundamental tables of the Society.

Ordinary court may grant applications to change assurance of one class for assurance of another class.

21. The ordinary directors shall have power to receive the surrender of any policy, and to purchase, for the use of the Society, the benefit expressed therein, upon such terms as may seem to them reasonable and equitable: Provided always, that the sum paid for such surrender shall not exceed the value of the policy as herein-before explained, calculated at the time of surrender; and provided also, that in case the benefit expressed in the policy depends upon any survivorship, the person on whose survivorship the same depends shall be in good health at the time, and that proof shall be made thereof accordingly to the satisfaction of an ordinary court of directors.

Ordinary court may accept and purchase surrender of policies. Article 6

22. An extraordinary court of directors shall have power to prescribe the forms of the declarations required to be signed by persons applying to be admitted members, and of the policies to be issued in relation thereto; and

Extraordinary court to prescribe forms of declarations and policies.

A.D. 1882.

thereafter to revise and alter the same: Provided always, that the forms adopted be not inconsistent with the laws of the Society.

Loans to policy holders.

23. When an ordinary court of directors shall direct any portion of the funds of the Society to be laid out upon bonds, bills, or promissory notes, or agreements therefor, granted by any policy holder of the Society who may stand assured, such obligations shall be accompanied by a deposit by such policy holder, as after mentioned, of his policy, in security of the advances made to him: Provided always, that the advance made to any policy holder as aforesaid shall not in any case exceed a sum equal to nine tenths of the value at the time (as herein-before explained) of the policy upon the security of which the advance is made; and provided also that in the event of an advance being made upon the security of any policy as aforesaid, such policy shall be deposited with the manager, for behoof of the Society, and a receipt granted by him to the party therefor, specifying the purpose for which the deposit is made; and provided also that it shall be in the power of any ordinary court of directors to dispense with the deposit of the policy in any cases where it may appear to them expedient to do so; and it is hereby further declared that the Society shall be preferable, upon the sum or sums of money that may become due in virtue of such policy, to the heirs and assignees of the borrower, for the sums advanced, and interest that may accrue thereon, and for all expenses that may be incurred in connexion therewith, and shall be entitled to retain, out of the sum or sums that may become due under such policy, the said advances, interest, and expenses, as well as all other debts or obligations that may have been contracted by the borrower to the Society, and that may remain due at the time when the sums assured by the said policy become payable; and it is hereby further provided and declared, that the Society shall not be obliged to receive payment of any annual contribution or premium of insurance that may become due under and in virtue of any policy or policies so deposited, until all interest and expenses then due in respect of any such advances shall be paid. Nothing herein contained shall affect any of the conditions in such policies, in regard to forfeiture or nonpayment of the annual contributions therein specified within the periods stipulated therein, or any of the other conditions contained in or applicable to the said policies.

Article 6.

Remittances may be made to any part of United Kingdom free of charge.

24. The ordinary directors may, if they think proper, remit any payments, whether in respect of claims for capital sums or annuities, or of loans to members on the security of their policies, or of surrenders of the policies or any portion thereof, to any part of Great Britain or Ireland, for the convenience of the members, without calling upon them to bear the expense of such remittance, which may, at the discretion of the ordinary directors, be defrayed out of the Society's funds.

"The annuity fund."

25. In order to provide for the better security of the holders of all or any annuities, that now are or may at any time hereafter be or become chargeable upon the fund, an account shall be opened in the books of the Society, under the name and title of "The Annuity Fund," which shall be kept in manner following: That is to say, whenever the event or contingency happens upon which an annuity emerges or becomes a debt chargeable upon the fund, whether by the extinction of any given life or lives, or by the lapse or survivance of any

given period of time, or, as in the case of present annuities, by the accession of the member and payment of the contribution money, a sum of money, equal to the value of such annuity for the remainder of the life or lives, or the given time during which the same is payable, shall be placed to the credit of the said account; and further, there shall be annually placed to the credit of the said account entitled "The Annuity Fund," a sum equal to one year's interest, at the rate at which the annuities charged upon the fund were last valued, on the medium between the balance of the annuity fund account at the time and the balance at the 31st day of December immediately preceding; and there shall, from time to time, be placed to the debit of the said annuity fund account all the annuities paid by the Society; and the said account shall be annually brought to a balance at 31st December, or other period at which the books of the Society are balanced; and it is hereby specially provided and declared, that a portion of the aggregate fund, equal to the balance of the said account, shall at all times be reserved as a fund, to be called "The Annuity Fund," for securing the regular and full payment of all annuities payable in virtue of any policies issued by and in name of the Society; and that the said annuity fund shall not be liable for the payment of any capital sums, payable out of the funds of the Society, or any part thereof, but shall be reserved whole and entire, for the better security of the said annuities; and it is hereby further provided and declared, that at every stated period of investigation of the affairs of the Society a value shall be put upon the whole annuities chargeable upon, or payable out of the funds of the Society during the remainder of the lives upon which the same depend, or other endurance thereof, after such periods of investigation respectively; and in case the annuity fund at the time shall not be equal to the aggregate amount of the value of the said annuities, such a sum of money shall be brought to the credit of the annuity fund, from the general fund, as shall make it equal to the said amount; but if the annuity fund shall exceed the value of the annuities, then it shall and may be lawful to an extraordinary court of directors to order the surplus of the said annuity fund to be carried to the credit of the general surplus.

Holders of certain policies not to participate in surplus.

26. Unless otherwise provided in the policies, assurances opened on any scale of contribution lower than the scale of equal annual contribution during the whole period of life, shall not be entitled to any participation in the surplus funds of the Society, while and so long as such lower scale of contribution continues to be paid; but immediately after any person commences payment of contributions not lower than are prescribed by the scale of equal annual contributions during the whole period of life, at the age to which he shall have attained, such person shall be entitled to participate thenceforward in the surplus funds, in the same manner as if the policy had been opened at the time of the commencement of such payments; and declaring that Article 28 shall not be held or construed as applying to such policies of five or more years endurance.

Holders of certain policies to participate in surplus.

27. When an assurance upon the funds is made by means of a single payment, or by means of any other mode of contribution different from annual payments, except as provided in Article 26, the holders of such policies of assurance shall be entitled to additions thereto in the same manner as if the assurances had been made by means of annual contributions, and such annual contributions had been regularly paid.

A.D. 1882.

When policy payable or surrendered within five years from its date, additions not to be exigible.

28. In every case where any benefit emerges and becomes a debt chargeable against the fund, or in which a policy holder surrenders his benefit, at any time within five years from the date of the policy issued in reference thereto, no addition shall be exigible in respect of such benefit; and any order that may have been made for any addition, either in regard to the retrospective or prospective effect of such order, shall become void, in so far as regards the benefit so emerging or surrendered within the said period of five years.

LONDON: Printed by George E. B. Eyre and William Spottiswoode,
Printers to the Queen's most Excellent Majesty. 1882.