

SCHEDULE 1

Article 3

PART I

1. Paragraphs 2 to 18 apply even though the 1923 Act is repealed on commencement.
2. Section 1 of the 1923 Act (industrial assurance business) has effect after commencement with the following modifications—
 - (a) omit subsection (1)(1);
 - (b) in subsection (1A)(2)—
 - (i) in the definition of “collecting society” for “which carries on industrial assurance business” substitute “which carried on industrial assurance business immediately before 1st December 2001, and is subject to an existing liability or a liability which may accrue under any policy effected in the course of that business”;
 - (ii) in the definition of “industrial assurance company” for “which carries on such business” substitute “which carried on such business immediately before 1st December 2001, and is subject to any such liability,”; and
 - (iii) after the definition of “industrial assurance company” insert—

““relevant insurer” means a person, whether incorporated or not, who carried on industrial assurance business before 1st December 2001.”;
 - (c) in subsection (2)(3) for the words from the beginning of the subsection to “by the means of collectors:” substitute—

“For the purposes of this Act, “industrial assurance business” means any business which—

 - (i) when carried on before 1st December 2001, consisted of effecting assurances upon human life, the premiums in respect of which were received by means of collectors, and
 - (ii) when carried on or after that day consists of the carrying out of such assurances, the premiums in respect of which either continue to be received by means of collectors, or are received by other means pursuant to an agreement made in accordance with section 1A.”;
 - (d) in the proviso to subsection (2)—
 - (i) for paragraph (a) substitute—

“(a) assurances the premiums in respect of which were payable before 1st December 2001 at intervals of two months or more;”;
 - (ii) in paragraph (b) for “continues not to effect any such assurances” substitute “did not effect any such assurances in the period between that date and 1st December 2001”,
 - (iii) in paragraph (c) for “which have” substitute “which had”, and
 - (iv) in paragraph (d) for “and which are treated as part of the business transacted by a branch other than the industrial branch of the society or company, in cases where the relevant authority certifies that the terms and conditions of such assurances are” substitute “and which were treated before 1st December 2001 as part of the business transacted by a branch other than the industrial branch of the society or company,

(1) Subsection (1) was amended by the Companies Act 1967 (c. 81), s. 130(4)(a), Schedule 8, Part I.

(2) Subsection (1A) was inserted by the Companies Act 1967, s. 99, Schedule 6, Part II, and substituted by the Friendly Societies Act 1992 (c. 40), s.100, Schedule 19, paragraphs 1, 2(1).

(3) Amendments to subsection (2) not relevant to this modification were made by the Friendly Societies Act 1992, section 100, Schedule 19, paragraphs 1, 2(1).

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in cases where the relevant authority had certified before that day that the terms and conditions of such assurances were”;

(e) after subsection (2) insert—

“(2A) For the purposes of this Act—

- (a) “contract of industrial assurance” means a contract of assurance effected in the course of industrial assurance business under which, on or after 1st December 2001, there is an existing liability already accrued or a liability may accrue, and
- (b) “industrial assurance policy” and “policy of industrial assurance” mean a policy evidencing a contract of industrial assurance.”;

(f) omit subsection (3).

3. The following section is inserted after section 1 of the 1923 Act and has effect after commencement in relation to existing policies—

“**1A.**—(1) Subject to subsections (2) to (4), a collecting society or industrial assurance company may agree in writing with the owner either or both of the following kinds of variation in relation to an industrial assurance policy, that is—

- (a) that the premiums shall be received otherwise than by means of a collector, and
- (b) that the premiums shall be paid at intervals of two months or more.

(2) Before agreeing to a variation of a kind mentioned in subsection (1), the society or company must inform the owner in writing—

- (a) in any case where it may be agreed that premiums are to be collected by means of a method which may incur charges imposed by any person, of the fact that the owner may be liable to pay such charges; and
- (b) in all cases—
 - (i) of his rights under subsection (3), and
 - (ii) of an address to which the owner may send a notice given in accordance with subsection (3).

(a) (3) The owner may withdraw his consent to a variation of the kind mentioned in subsection (1) if, before the end of a period 14 days (“period for withdrawal”) beginning with the day on which he agreed in writing to such a variation, he gives notice in writing to the society or company that he no longer consents to the variation;

(b) An owner is to be treated as having given notice in accordance with paragraph (a) if, before the end of the period for withdrawal he—

- (i) gives the notice to a collector,
- (ii) leaves the notice at a branch or office of the society or company,
- (iii) sends the notice pre-paid by a postal service which seeks to deliver documents by post within the United Kingdom no later than the next working day in all or the majority of cases to the address given in accordance with subsection (2)(b)(ii), or
- (iv) transmits the notice by fax, e-mail, or other electronic means of communication to a number or address notified by the society or company for that purpose;

(c) For the purposes of this subsection, writing includes any means of electronic communication which may be processed to produce a legible text.

(4) A company or society must ensure that an owner who has agreed to a variation of a kind mentioned in subsection (1), and has not withdrawn his consent to the variation in accordance with subsection (3), receives a copy of the agreement no later than 7 days after the expiry of the period for withdrawal.

(5) A variation to the terms of a policy agreed in accordance with this section takes effect on a date falling after the expiry of the period for withdrawal and agreed in writing by the society or company and the owner.

(6) Where a variation of the kind mentioned in subsection (1)(a) has taken effect, that variation applies to the payment of any arrears owing on the date it takes effect as it applies to the payment of premiums falling due after that date.

(7) If a society or company fails to comply with any requirement under subsection (2) or (4)—

(a) the variation may, at the election of the owner, be rescinded at any time before the end of a period of 6 months beginning with the day on which the variation took effect, and

(b) the society or company must reimburse the owner for any charges incurred and paid by him as a result of the payment of premiums by direct debit or standing order pursuant to that variation.

(8) The policy does not cease to be an individual assurance policy for the purposes of this Act by reason only of a variation agreed in accordance with this section.”.

4. The following provision is substituted for section 5(1) of the 1923 Act (prohibition of issue of illegal policies) and has effect after commencement in relation to existing policies—

“(1) Where an industrial assurance policy was, at the time of its issue, illegal or not within the legal powers of the relevant insurer which issued it, the collecting society or industrial assurance company which receives, or is entitled to receive, premiums in respect of that policy (whether or not it issued the policy) shall, without prejudice to any other penalty, be entitled to pay to the owner of the policy a sum equal to the surrender value of the policy (to be ascertained in manner hereafter provided), or, if the policy was issued after commencement of this Act, a sum equal to the amount of the premiums paid, unless it is proved that owing to any false representations on the part of the proposer, the relevant insurer did not know that the policy was illegal or beyond its legal powers.”.

5. The proviso to section 14 of the 1923 Act (Act to have effect notwithstanding memorandum, articles or special Act) has effect after commencement in relation to an existing policy.

6. Section 20 of the 1923 Act (provisions as to proposals for policies) has effect after commencement in relation to an existing policy with the following modifications—

(a) omit subsections (1) and (2);

(b) for subsection (3) substitute—

“(3) If an industrial assurance policy was issued pursuant to a proposal which contained a statement that the person whose life was proposed to be assured was not at the time of making that proposal a person on whose life another policy had been issued by the relevant insurer that accepted the proposal, that policy is valid, notwithstanding that the statement was not true, and that the truth of the statement was made a condition of the policy.”; and

(c) in subsection (4)—

(i) for “is filled in” substitute “was filled in”,

(ii) for “a person employed by the society or company” substitute “a person employed by the relevant insurer”,

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- (iii) for “the society or company shall not” substitute “a collecting society or industrial assurance company which receives, or is entitled to receive, premiums under that policy shall not”, and
- (iv) for “has been made” substitute “had been made”.

7. Section 22 of the 1923 Act (return of policies and premium receipt book after inspection) has effect after commencement in relation to a premium receipt book or other document evidencing or issued in connection with an existing policy.

8. Section 23(4) of the 1923 Act (notice before forfeiture for default in paying industrial assurance premiums) has effect after commencement in relation to an existing policy.

9. Section 24 of the 1923 Act (provisions as to forfeited policies) has effect after commencement in relation to an existing policy with the following modifications—

- (a) after subsection (1) insert—
 - “(1A) for the purposes of subsection (1), “notice” means—
 - (a) a notice required by section 23 and served before 1st December 2001; or
 - (b) a notice required by section 23 as it has effect by virtue of the Financial Services and Markets Act 2000 (Consequential Amendments and Savings) (Industrial Assurance) Order 2001, and served on or after 1st December 2001.”; and
- (b) omit subsection (3)(5).

10. Section 25 of the 1923 Act (substitution of policies) has effect after commencement in relation to an existing policy with the insertion in subsection (2), before “and new premium receipt book”, of “(if applicable)”.

11. Section 26 of the 1923 Act (transfers from one company to another company or society) has effect after commencement in relation to a policyholder of an existing policy which is carried out by an industrial assurance company with the following modifications—

- (a) for subsection (1)(6) substitute—
 - “(1) A person assured with an industrial assurance company shall not, without his written consent or, in the case of a person under the age of 18, without the written consent of his parent or other guardian, be transferred from the company to another company or to a collecting society except under an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000.”;
- (b) after subsection (2) insert—
 - “(2A) For the purposes of subsection (2) “prescribed” means prescribed by—
 - (a) rules made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000; or
 - (b) any provision having effect as such a rule as a result of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001(7).”;
- (c) in subsection (3) omit the words “society or” in the second place where they appear;
- (d) in subsection (4) omit “society or”.

(4) Section 23 was substituted by the Friendly Societies Act 1992 (c. 40), section 100, Schedule 19, Part I, paragraphs 1, 7.

(5) Subsection (3) was amended, and subsection (5) repealed, by the Companies Act 1967, section 129, Schedule 7.

(6) Subsection (1) was substituted, from a date to be appointed, by the Friendly Societies Act 1992, section 100, Schedule 19, paragraphs 1, 8. That substitution was not brought into force before the repeal of the 1923 Act.

(7) S.I.2001/1534.

12. Section 27 of the 1923 Act (payment of claims) has effect after commencement in relation to existing policies with the insertion of the words “(regardless of whether that policy was effected before or after 1st December 2001)” after “any other policy”.

13. Section 29 of the 1923 Act (value of policies) has effect after commencement in relation to existing policies with the following modifications to subsection (1)—

- (a) after the first reference to “a policy” insert “of industrial assurance”; and
- (b) after “or industrial assurance company” insert “or the person who effected it”.

14. Section 32(8) of the 1923 Act (disputes) has effect after commencement in relation to a dispute arising in connection with an existing policy with the following modifications—

- (a) the existing text becomes subsection (1);
- (b) in paragraph (a) of that subsection, after “any person assured” insert “under a policy of industrial assurance”;
- (c) in paragraph (b) of that subsection, before “a person assured” and before “policy” insert “such”; and
- (d) after subsection (1) insert—

“(2) Nothing in subsection (1) prejudices the operation of section 16 of the Interpretation Act 1978(9) in relation to any legal proceeding in respect of any right acquired or obligation or liability incurred before 1st December 2001 under this Act.”.

15. Section 39 of 1923 Act (offences) has effect after commencement with the following modifications—

- (a) for subsection (1)(10) substitute—

“(1) Subject to subsection (1A), any contravention by a collecting society or an industrial assurance company of any provision of this Act is to be treated as if it were a contravention of a requirement imposed under the Financial Services and Markets Act 2000 (with the effect that Part XIV of that Act applies).”;

- (b) after subsection (1) insert—

“(1A) A contravention of the kind mentioned in subsection (1) is not actionable under section 150 of the Financial Services and Markets Act 2000 (actions for damages).

(1B) Nothing in subsection (1) prejudices the operation of section 16 of the Interpretation Act 1978 in relation to any legal proceedings in respect of, or any penalty which may be imposed in relation to, a contravention of any provision of this Act committed before 1st December 2001.”; and

- (c) omit subsections (3) to (6)(11).

16. Section 41 of the 1923 Act (notices) has effect after commencement.

17. Section 45 of the 1923 Act (interpretation) has effect after commencement with the following modifications—

- (a) omit the definition of “the Companies Acts”;
- (b) omit the words “other expressions have the same meaning as in the Friendly Societies Act 1896”.

18. Schedule 4 to the 1923 Act has effect after commencement in relation to existing policies.

(8) Section 32 was substituted by the Friendly Societies Act 1992 (c. 40), section 100, Schedule 19, Part I, paragraphs 1, 9.

(9) 1978 c. 30.

(10) Subsection (1) was amended by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 5(d); the Companies Act 1967, section 87; and the Criminal Justice Act 1982, sections 38, 46.

(11) Subsection (2) of section 39 was repealed by the Companies Act 1967, section 130(4), Schedule 8, Part I.

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PART II

19. Paragraphs 20 to 29 apply even though the 1948 Act is repealed on commencement.

20. Section 8 of the 1948 Act (premium receipt books) has effect after commencement in relation to an existing policy with the following modifications—

(a) in subsection (1)—

- (i) before “A collecting society” insert “Subject to subsection (3) and section 8A,”, and
- (ii) omit the words “issued by the society or company”;

(b) for subsection (2)(**12**) substitute—

“(2) A premium receipt book provided in accordance with subsection (1) must be in such a form and used in such a manner (including the manner of recording of receipts) as may be prescribed, and for this purpose “prescribed” means prescribed by—

- (a) rules made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000; or
- (b) any provision having effect as such a rule as a result of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001(**13**).”;and

(c) after subsection (2) insert—

“(3) A collecting society or industrial assurance company is not required to provide a premium receipt book in accordance with subsection (1), if it provides either or both—

- (a) receipts in respect of each premium received, or
- (b) statements recording premiums received.

(4) Subsection (3) applies only if the company or society has given the owner of the policy of industrial assurance and, if different, the person who ordinarily pays the premiums in relation to the policy—

- (a) notice in writing that, from a specified date falling not less than one month after the date of the notice, receipts or statements or both will be provided in respect of that policy, and
- (b) a statement of protective provisions, in accordance with section 12(2A).

(5) For the purposes of subsections (3) and (4), “receipt” means a document which complies with the requirements specified in section 8A, and “statement” means a document which complies with the requirements specified in section 8B.”.

21. The following provisions are inserted after section 8 of the 1948 Act and have effect after commencement in relation to existing policies—

“**8A.**—(1) A receipt must state—

- (a) the number of the policy in respect of which a premium is received;
- (b) the amount of the premium received and, if premiums are paid in respect of more than one policy, the amount referable to a particular policy;
- (c) the date on which the premium is received;
- (d) the name of the collector;
- (e) the registered name of the society or company; and

(12) Subsection (2) was amended by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 13.

(13) S.I. 2001/1534.

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- (f) an address to which the owner may direct any enquiries in connection with the policy.

“**8B.**—(1) This section applies if a society or company provides a statement recording premiums received in respect of a policy of industrial assurance.

(2) Subject to subsection (4), the society or company must provide such a statement to the owner of that policy—

- (a) before the end of a period of twelve months beginning with the day on which the society or company agreed with the owner of the policy to provide statements recording premiums received; and
(b) at least once in every subsequent period of twelve months.

(3) A statement must be in writing and must state—

- (a) the period to which the statement relates;
(b) the number of the policy in respect of which a premium or premiums has or have been received during that period;
(c) the amount or, as the case may be, the aggregate amount of the premium or premiums received during that period and, if premiums are paid in respect of more than one policy, the amount or aggregate amount referable to a particular policy;
(d) the registered name of the society or company;
(e) an address to which the owner may direct any enquiries in connection with the policy.

(4) If, in any period mentioned in subsection (2)(a) or (b) (whichever is applicable)—

- (a) no premium is received by a society or company in respect of that policy, or
(b) the society or company has paid all sums it is liable to pay under that policy,

the society or company is not required to give a statement in respect of that period.

(5) For the purposes of this section, writing includes any means of electronic communication which may be processed to produce a legible text.”

22. Section 9 of the 1948 Act (liability on policies not to be restricted on grounds of health if proposer’s knowledge and belief is properly disclosed) has effect after commencement in relation to existing policies.

23. Section 12(**14**) of the 1948 Act (matters to be set out in premium receipt books, and to be published) has effect after commencement in relation to an existing policy with the following modifications—

- (a) for subsection (2)(**15**) substitute—

“(2) Subject to subsection (2A)—

- (a) if a collecting society or industrial assurance company reprints or amends all or any of its premium receipt books on or after 1st December 2001, the society or company must cause to be set out in any such

(14) Subsections (1) and (4) of section 12 were repealed by the Companies Act 1967 (c. 81), section 129, Schedule 7.

(15) Subsection (2) of section 12 was amended by the Friendly Societies Act 1974 (c. 46), section 116(1), Schedule 9, paragraph 11.

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book the information specified in the Third Schedule to this Act, as that Schedule has effect on and after that date; but

- (b) if a society or company does not amend or reprint its premium receipt books on or after that date, the matters which must be set out in such books remain the matters specified in the Third Schedule to this Act as it had effect before that date.”;

- (b) after subsection (2) insert—

“(2A) If a collecting society or industrial assurance company ceases to provide a premium receipt book in respect of a policy of industrial assurance, the society or company must give a written statement of the matters specified in Schedule 3A to this Act (‘statement of protective provisions’) to the owner of that policy.”; and

- (c) omit subsection (3)(16).

24. Section 16(17) of the 1948 Act (provisions as to offences) has effect after commencement with the following modifications—

- (a) for subsection (2) substitute—

“(2) Subject to subsection (2A), any contravention by a collecting society or an industrial assurance company of any provision of this Act which has effect on and after 1st December is to be treated as if it were a contravention of a requirement imposed under the Financial Services and Markets Act 2000 (with the effect that Part XIV of that Act applies).”;

- (b) after subsection (2)(18) insert—

“(2A) A contravention of the kind mentioned in subsection (2) is not actionable under section 150 of the Financial Services and Markets Act 2000 (Actions for damages).

(2B) Nothing in subsection (2) prejudices the operation of section 16 of the Interpretation Act 1978 in relation to any legal proceedings in respect of, or any penalty which may be imposed in relation to, a contravention of any provision of this Act committed before 1st December 2001.”; and

- (c) omit subsection (3)(19).

25. Section 17A(20) of the 1948 Act (policies given emergency protection) has effect after commencement in relation to existing policies with the following modifications—

- (a) in subsection (1)—

- (i) “for Industrial Assurance Acts 1923 and 1929” substitute “Industrial Assurance Act 1923”, and

(16) Subsection (3) was amended, and subsection (4) repealed, by the Companies Act 1967, section 129, Schedule 7.

(17) Subsections (1) and (5) of section 16 were repealed by the Friendly Societies Act 1974, section 116(1), Schedule 11, and subsection (4) was repealed by the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52), section 300(1), Schedule 1.

(18) As originally enacted, subsection (2) of section 16 applied both to collecting societies and to industrial assurance companies. The subsection was repealed so far as it related to companies by the Companies Act 1967, section 130(4)(d), Schedule 8, Part IV, and provision similar to subsection (2) was made by section 86(1)(a) of the Companies Act 1967 (c. 81) in relation to any contravention of a provision of the 1923 Act or the 1948 Act by an industrial assurance company. Section 86 of the Companies Act 1967 is repealed by Schedule 3 to this Order.

(19) Subsections (1) and (5) were repealed by the Friendly Societies Act 1974, section 116(4), Schedule 11. Subsection (4) was repealed by the Trade Union and Labour Relations (Consolidation) Act 1992, section 300(1), Schedule 1.

(20) Section 17A was inserted by the Statute Law (Repeals) Act 1974 (c. 22), section 2. Subsection (2) of section 17A was repealed by the Friendly Societies Act 1992 (c. 40), section 120(2), Schedule 22, Part I.

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- (ii) for “the Commission”(21) substitute “an independent actuary whose appointment is agreed by the company or society and the policyholder”; and
- (b) for subsection (3) substitute—

“(3) Subsection (1) extends to Great Britain, and to any place to which the repeal of the said Act of 1940 by the Statute Law (Repeals) Act 1974 was extended before 1st December 2001 by an Order in Council made under section 3(2) of that Act.”.

26. Section 23 of the 1948 Act (interpretation) has effect after commencement with the omission of—

- (a) in subsection (1)(22), paragraphs (a) (the definitions of “society”) and paragraph (e) (the definition of “the Commission”); and
- (b) subsection (2).

27. Subsection (4)(23) of section 25 of the 1948 Act (short title, citation, construction and repeal) has effect in relation to the provisions which have effect after commencement with the substitution for “the Industrial Assurance Acts 1923 to 1929” of “the Industrial Assurance Act 1923”.

28. The Third Schedule(24) to the 1948 Act (matters to be set out in premium receipt books) has effect after commencement for the purposes of subsection (2)(a) of section 12, as that section has effect by virtue of paragraph 24, with the following modifications—

- (a) in paragraph (a) for the words from the beginning to “such a statement—” substitute—
 - “As to the following provisions of the Industrial Assurance Act 1923, either—
 - (i) those provisions, or
 - (ii) with the consent of the Financial Services Authority, a statement which sets out the effect of any such provision—”;

- (b) in paragraph (b)(25)—
 - (i) for the words from the beginning to “such a statement—” substitute
 - “As to the following provisions of this Act and provisions prescribed as mentioned in subsection (2) of section 8 of this Act, either—
 - (i) those provisions, or
 - (ii) with the consent of the Financial Services Authority, a statement which sets out the effect of any such provision—”, and
 - (ii) for “and regulations made for the purposes thereof” substitute “and provisions prescribed for the purposes of that section (within the meaning of section 8(2))”.

(21) “Commission” was substituted in subsection (1) was amended by the Friendly Societies Act 1992, section 100, Schedule 19, Part I, paragraph 15.

(22) Amendments not relevant to this modification were made to subsection (1) by the Friendly Societies Act 1974 (c. 46), section 116(1), Schedule 9, paragraph 13 and the Friendly Societies Act 1992, sections 100, 120(2), Schedule 19, Part I, paragraph 16, and Schedule 22, Part I. Paragraph (d) of subsection (1), as originally enacted, was repealed by the Industrial Relations Act 1971 (c. 72), section 169, Schedule 9. A new paragraph (d) was inserted by the Trade Union and Labour Relations Act 1974 (c. 52), section 25(1), Schedule 3, paragraph 5, and subsequently repealed by the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52), section 300(1), Schedule 1.

(23) Subsection (4) was amended by the Friendly Societies Act 1974, section 116(4), Schedule 11.

(24) Paragraph (d) was inserted into the Third Schedule by the Friendly Societies Act 1974, section 116(1), Schedule 9, paragraph 15. Paragraphs (c) and (d) were repealed by the Friendly Societies Act 1992, section 120(2), Schedule 22, Part I.

(25) Paragraph (b) was amended by the Friendly Societies Act 1992, section 120(2), Schedule 22, Part I.

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29. The following Schedule is inserted after the Third Schedule to the 1948 Act and has effect after commencement in relation to existing policies—

“SCHEDULE
3A

MATTERS TO BE SET OUT IN STATEMENTS OF PROTECTIVE PROVISIONS

1. Subject to paragraph 2, the matters required to be set out in a statement under section 12(2A) are—

(a) the following provisions of the Industrial Assurance Act 1923, namely—

section 20(4)	provisions as to proposals for policies
section 22	return of policies, books and documents
section 23	notice before forfeiture
section 24	provisions as to forfeited policies
section 27	payment of claims
section 32	determination of disputes
section 41	notices

(b) the following provisions of this Act, namely—

section 8A	provision of receipts
section 8B	provision of statements
section 9	restriction of liability on grounds of health

2. A statement setting out the effect of any provision mentioned in paragraph 1 may be substituted for that provision if the Financial Services Authority so consents.”.

PART III

30. Parts I and II of this Schedule apply in relation to the Channel Islands, but subject to the provisions of this Part.

31. Paragraphs 8, 11 and 15 in Part I and paragraphs 20 and 25 in Part II do not apply in relation to the Channel Islands.

32. In relation to the Channel Islands, section 23 of the 1923 Act (notice before forfeiture for default in paying industrial assurance premium) has effect after commencement in relation to an existing policy.

33. In relation to the Channel Islands, section 26 of the 1923 Act (transfers from one society or company to another) has effect after commencement in relation to a policyholder of an existing policy which is carried out by an industrial assurance company or collecting society.

34. In relation to the Channel Islands, section 39 of the 1923 Act (offences) has effect after commencement with the omission from subsection (1) of the words “or any directions by the Commissioner given thereunder”.

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35. In relation to the Channel Islands, section 43 of the 1923 Act (regulations) has effect after commencement with the following modifications—

- (a) for “The Commissioner may, subject to the approval of the Treasury, make regulations” substitute “The Treasury may make regulations with application to the Channel Islands”; and
- (b) omit “and for imposing fees and generally carrying out this Act into effect”.

36. In relation to the Channel Islands, section 8 of the 1948 Act (premium receipt books) has effect after commencement in relation to an existing policy with the following modifications—

- (a) in subsection (1)—
 - (i) before “A collecting society” insert “Subject to subsection (3) and section 8A.” and
 - (ii) omit “issued by the society or company”;
- (b) in subsection (2) for “by the Commissioner, subject to the approval of the Treasury” substitute “with application to the Channel Islands by the Treasury”;
- (c) after subsection (2) insert—
 - “(3) A collecting society or industrial assurance company is not required to provide a premium receipt book in accordance with subsection (1), if it provides either or both—
 - (a) receipts in respect of each premium received; or
 - (b) statements recording premiums received.
 - (4) Subsection (3) applies only if the company or society has given the owner of the policy of industrial assurance and, if different, the person who ordinarily pays the premiums in relation to the policy—
 - (a) notice in writing that, from a specified date falling not less than one month after the date of the notice, receipts or statements or both will be provided in respect of that policy; and
 - (b) a statement of protective provisions, in accordance with section 12(2A).
 - (5) For the purposes of subsections (3) and (4), “receipt” means a document which complies with the requirements specified in section 8A, and “statement” means a document which complies with the requirements specified in section 8B.”.

PART IV

37. Paragraphs 38 to 65 apply even though the Northern Ireland Order is revoked on commencement.

38. Article 2 of that Order (interpretation) has effect after commencement with the following modifications—

- (a) in the definition of “collecting society”⁽²⁶⁾ for “which carries on industrial assurance business in Northern Ireland” substitute “which carried on industrial assurance business in Northern Ireland immediately before 1st December 2001,

⁽²⁶⁾ The definition of “collecting society” was inserted by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 18(1).

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and is subject to an existing liability or a liability which may accrue under any policy effected in the course of that business”;

- (b) omit the definition of “the Department”;
- (c) in the definition of “exempted business”**(27)**—
 - (i) in paragraph (a) for “continues not to effect any such assurances” substitute “did not effect any such assurances in the period between that date and 1st December 2001”, and
 - (ii) in paragraph (c) for “and which are treated as part of the business transacted by a branch other than the industrial branch of the collecting society or industrial assurance company, in cases where the Commissioner certifies that the terms and conditions of such assurances are” substitute “and which were treated before 1st December 2001 as part of the business transacted by a branch other than the industrial branch of the collecting society or industrial assurance company, in cases where the relevant authority had certified before that day that the terms and conditions of such assurances were”;
- (d) in the definition of “industrial assurance company”**(28)** for “which carries on in Northern Ireland industrial assurance business” substitute “which carried on in Northern Ireland industrial assurance business immediately before 1st December 2001, and is subject to an existing liability or a liability which may accrue under any policy effected in the course of that business”;
- (e) in the definition of “policy” before “includes any contract of assurance” insert “means a policy effected before 1st December 2001 and”;
- (f) in paragraph (2A)**(29)**, in sub-paragraph (b) after that “of that Act” insert “and before 1st December 2001”; and
- (g) omit paragraphs (7) and (8).

39. Article 3 of that Order (industrial assurance business) has effect after commencement with the following modifications—

- (a) in paragraph (1) omit the words from “that is to say” to the end;
- (b) after paragraph (1) insert—
 - “(1A) For the purposes of this Order, “industrial assurance business” means any which business which—
 - (a) when carried on before 1st December 2001, consisted of effecting assurances upon human life (other than exempted business), the premiums in respect of which—
 - (i) were received by means of collectors, and
 - (ii) were payable at intervals of less than two months; and
 - (b) when carried on on or after that day, consists of the carrying out of such assurances, the premiums in respect of which—
 - (i) either continue to be received by means of collectors, or are received by other means pursuant to an agreement made in accordance with Article 3A, and

(27) The definition of “exempted business” was amended in paragraph (c) by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 18(2).

(28) The definition of “industrial assurance company” was amended by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 18(1).

(29) Paragraph (2A) was inserted by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 18(3).

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- (ii) either continue to be payable at intervals of less than two months, or are payable at intervals of two months or more pursuant to an agreement made in accordance with Article 3A”;
- (c) omit paragraphs (2) to (4).

40. The following Article is inserted after Article 3 of that Order and has effect after commencement in relation to existing policies—

“**3A.**—(1) Subject to paragraphs (2) to (4), a collecting society or industrial assurance company may agree in writing with the owner either or both of the following kinds of variation in relation to an industrial assurance policy, that is—

- (a) that the premiums shall be received otherwise than by means of a collector; and
- (b) that the premiums shall be paid at intervals of two months or more.

(2) Before agreeing to a variation of a kind mentioned in paragraph (1), the society or company must inform the owner in writing—

- (a) in any case where it may be agreed that premiums are to be collected by means of a method which may incur charges imposed by any person, of the fact that the owner may be liable to pay such charges; and

(b) in all cases—

- (i) of his rights under paragraph (3), and
- (ii) of an address to which the owner may send a notice given in accordance with paragraph (3).

(a) (3) The owner may withdraw his consent to a variation of the kind mentioned in paragraph (1) if, before the end of a period of 14 days (“period for withdrawal”) beginning with the day on which he agreed in writing to such a variation, he gives notice in writing to the society or company that he no longer consents to the variation;

(b) an owner is to be treated as having given notice in accordance with paragraph (a) if, before the end of the period for withdrawal, he—

- (i) gives the notice to a collector,
- (ii) leaves the notice at a branch or office of the society or company,
- (iii) send the notice pre-paid by a postal service which seeks to deliver documents by post within the United Kingdom no later than the next working day in all or the majority of cases to the address given in accordance with paragraph (2)(b)(ii), or
- (iv) transmits the notice by fax, e-mail or other electronic means of communication to a number or address notified by the society or company for that purpose;

(c) for the purposes of this paragraph, writing includes any means of electronic communication which may be processed to produce a legible text.

(4) A company or society must ensure that an owner who has agreed to a variation of a kind mentioned in paragraph (1), and has not withdrawn his consent to the variation in accordance with paragraph (3), receives a copy of the agreement no later than 7 days after the expiry of the period for withdrawal.

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(5) A variation to the terms of a policy agreed in accordance with this Article takes effect on a date falling after the expiry of the period for withdrawal and agreed in writing by the society or company and the owner.

(6) Where a variation of the kind mentioned in paragraph (1)(a) has taken effect, that variation applies to the payment of any arrears owing on the date it takes effect as it applies to the payment of premiums falling due after that date.

(7) If a society or company fails to comply with any requirement under paragraph (2) or (4)—

(a) the variation may be rescinded, at the election of the owner, at any time before the end of a period of 6 months beginning with the day on which the variation took effect; and

(b) the society or company must reimburse the owner for any charges incurred and paid by him as a result of the payment of premiums by direct debit or standing order pursuant to that variation.

(8) The policy does not cease to be an industrial assurance policy for the purposes of this Act by reason only of a variation agreed in accordance with this Article.”.

41. Paragraph (2) of Article 19 of that Order (Northern Ireland Order to have effect notwithstanding rules of Special Act) has effect after commencement in relation to an existing policy.

42. The following provision is substituted for Article 20(1) of that Order (illegal policies) and has effect after commencement in relation to existing policies—

“(1) Where an industrial assurance policy was, at the time of its issue, illegal or not within the legal powers of the relevant insurer which issued it, the collecting society or industrial assurance company which receives, or is entitled to receive, premiums in respect of that policy (whether or not it issued the policy) shall, without prejudice to any other penalty, be entitled to pay to the owner of the policy a sum equal to the surrender value of the policy (to be ascertained in manner hereafter provided), or, if the policy was issued after commencement of this Order, a sum equal to the amount of the premiums paid, unless it is proved that owing to any false representations on the part the proposer, the relevant insurer did not know that the policy was illegal or beyond its legal powers.”.

43. Article 21 of that Order (premium receipt books) has effect after commencement in relation to an existing policy with the following modifications—

(a) the existing text becomes paragraph (1);

(b) in that paragraph, before “A collecting society” insert “Subject to paragraph (2),”;

(c) in that paragraph, omit the words “issued by the society or company”; and

(d) after that paragraph insert—

“(2) A collecting society or industrial assurance company is not required to provide a premium receipt book in accordance with paragraph (1), if it provides either or both—

(a) receipts in respect of each premium received; or

(b) statements recording premiums received.

(3) Paragraph (2) applies only if the company or society has given the owner of the policy of industrial assurance and, if different, the person who ordinarily pays the premiums in relation to that policy—

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- (a) notice in writing that, from a specified date falling not less than one month after the date of the notice, receipts or statements or both will be provided in respect of that policy; and
- (b) a statement of protective provisions, in accordance with Article 22(2).

(4) For the purposes of paragraphs (2) and (3), “receipt” means a document which complies with the requirements specified in Article 21A, and “statement” means a document which complies with the requirements specified in Article 21B.”.

44. The following provisions are inserted after Article 21 of that Order and have effect after commencement in relation to existing policies—

“**21A.** A receipt must state—

- (a) the number of the policy in respect of which a premium is received;
- (b) the amount of the premium received and, if premiums are paid in respect of more than one policy, the amount referable to a particular policy;
- (c) the date on which the premium is received;
- (d) the name of the collector;
- (e) the registered name of the society or company; and
- (f) an address to which the owner may direct any enquiries in connection with the policy.

21B.—(1) This Article applies if a society or company provides a statement recording premiums received in respect of a policy of industrial assurance.

(2) Subject to paragraph (4), the society or company must provide such a statement to the owner of that policy—

- (a) before the end of a period of twelve months beginning with the day on which the society or company agreed with the owner of the policy to provide statements recording premiums received; and
- (b) at least once in every subsequent period of twelve months.

(3) A statement must be in writing and must state—

- (a) the period to which the statement relates;
- (b) the number (if any) and the date of the policy in respect of which a premium or premiums have been received during that period;
- (c) the amount or, as the case may be, the aggregate amount of the premium or premiums received during that period and, if premiums are paid in respect of more than one policy, the amount or aggregate amount referable to a particular policy;
- (d) the registered name of the society or company.

(4) If, in any period mentioned in paragraph (2)(a) or (b) (whichever is applicable)—

- (a) no premium is received by a society or company in respect of that policy; or
- (b) the society or company has paid all sums it is liable to pay under that policy,

the society or company is not required to give a statement in respect of that period.

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(5) For the purposes of this Article, writing includes any means of electronic communication which may be processed to produce a legible text.”.

45. Article 22 of that Order (matters to be set out in premium receipt books) has effect after commencement in relation to an existing policy with the following modifications—

- (a) the current text becomes paragraph (1);
- (b) in that paragraph, for the words from the beginning to “policies of industrial assurance,” substitute “Subject to paragraph (2), a premium receipt book provided in accordance with Article 21(1) must set out”; and
- (c) after that paragraph insert—

“(2) If a collecting society or industrial assurance company ceases to provide a premium receipt book in respect of a policy of industrial assurance, the society or company must give to the owner of that policy a written statement of the matters specified in Schedule 4A to this Order (‘statement of protective provisions’).”.

46. Article 27 of that Order (misstatements, and non-disclosure, in proposals) has effect after commencement in relation to an existing policy with the following modifications—

- (a) for paragraph (1) substitute—

“(1) If an industrial assurance policy was issued pursuant to a proposal which contained a statement that the person whose life was proposed to be assured was not at the time of making that proposal a person on whose life another policy had been issued by the relevant insurer that accepted the proposal, that policy is valid, notwithstanding that the statement was not true, and that the truth of the statement was made a condition of the policy.”;

and

- (b) in paragraph (2)—

- (i) for “is filled in” substitute “was filled in”,
- (ii) for “a person employed by the society or company” substitute “a person employed by the relevant insurer”,
- (iii) for “the society or company shall not” substitute “a collecting society or industrial assurance company which receives, or is entitled to receive, premiums under that policy shall not”, and
- (iv) for “has been made” substitute “had been made”.

47. Article 28 of that Order (return of policies and premium receipt books after inspection) has effect after commencement in relation to a premium receipt book or other document evidencing or issued in connection with an existing policy.

48. Article 29(30) of that Order (notice before forfeiture) has effect commencement in relation to an existing policy.

49. Article 30 of that Order (provisions as to forfeited policies) has effect after commencement in relation to an existing policy with the following modifications—

- (a) after paragraph (1) insert—

“(1A) for the purposes of paragraph (1), “notice” means—

- (a) a notice required by Article 29 and served before 1st December 2001; or
- (b) a notice required by Article 29 as it continues to have effect by virtue of the Financial Services and Markets Act 2000 (Consequential

(30) Article 29 was substituted by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 25.

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Amendments and Savings) (Industrial Assurance) Order 2001, and served on or after 1st December 2001.”, and

(b) omit paragraph (4).

50. Article 31 of that Order (substitution of policies) has effect after commencement in relation to an existing policy with the insertion in paragraph (2), before “the new premium receipt book”, of the words “(if applicable)”.

51. Article 32 of that Order (transfers from one society or company to another) has effect after commencement in relation to a policyholder of an existing policy with the following modifications—

(a) for paragraph (1)(**31**) substitute—

“(1) A person assured with an industrial assurance company shall not, without his written consent or, in the case of a person under the age of 18, without the written consent of his parent or other guardian, be transferred from the company to another company or to a collecting society except under an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000.”;

(b) after paragraph (2) insert—

“(2A) For the purposes of paragraph (2) “prescribed” means prescribed by—

(a) rules made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000; or

(b) any provision having effect as such a rule as a result of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001.”;

(c) in paragraph (4) after “in accordance with Article 29” insert “as it has effect by virtue of the Financial Services and Markets Act 2000 (Consequential Amendments and Savings) (Industrial Assurance) Order 2001”; and

(d) in paragraph (4) omit “collecting society or”.

52. Article 33 of that Order (payment of claims) has effect after commencement in relation to an existing policy with the insertion of the words “(regardless of whether that policy was effected before or after 1st December 2001)” after “any other policy”.

53. Article 34 of that Order (value of policies) has effect after commencement in relation to existing policies with the following modifications to paragraph (1)—

(a) after the first reference to “a policy” insert “of industrial assurance”; and

(b) after “or industrial assurance company” insert “or the person who effected it”.

54. Article 35 of that Order (rights of owners of certain endowment policies) has effect after commencement in relation to an existing policy which is an endowment policy (within the meaning given by Article 2 of that Order) with the following modifications—

(a) in paragraph (1)(a) and (1)(b), before “by a registered friendly society” insert “before 1st December 2001”;

(b) for paragraph (3)(**32**) substitute—

“(3) Subject to paragraph (3A)—

(a) if, on or after 1st December 2001, a collecting society or industrial assurance company reprints or amends a premium receipt book issued

(31) Paragraph (1) was substituted, from a date to be appointed, by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 26. That substitution was not brought into force before the revocation of this Order.

(32) Paragraph (3) was amended by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 20.

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in respect of a policy to which this Article applies, the society or company must cause to be set out in any such book—

- (i) the matters specified in this Article and in Schedule 7 to this Order (as that Schedule has effect on and after 1st December 2001), or
 - (ii) if the Financial Services Authority consents, a statement setting out the effect of those provisions;
- (b) if on or after 1st December 2001 a society or company does not amend or reprint a premium receipt book issued in respect of a policy to which this Article applies, the matters which must be set out in that book remain the matters specified by paragraph (3) of this Article as it had effect before that date.”; and
- (c) after paragraph (3) insert—
- “(3A) If a collecting society or industrial assurance company ceases to provide a premium receipt book in respect of a policy to which this Article applies, the society or company must give a written statement of the matters specified in Schedule 7 to this Order to the owner of that policy.”.

55. Article 36(33) of that Order (disputes) has effect after commencement in relation to a dispute arising in connection with an existing policy with the insertion, after “any dispute”, of arising under or in connection with a policy of industrial assurance”.

56. Article 42 of that Order (offences by collecting societies) has effect after commencement with the following modifications—

- (a) for paragraph (1)(34) substitute—

“(1) Subject to paragraph (1A), any contravention by a collecting society of any provision of this Order which has effect on and after 1st December 2001 is to be treated as if it were a contravention of a requirement imposed under the Financial Services and Markets Act 2000 (with the effect that Part XIV of that Act applies).”;
- (b) after paragraph (1) insert—

“(1A) A contravention of the kind mentioned in paragraph (1) is not actionable under section 150 of the Financial Services and Markets Act 2000 (actions for damages).

(1B) Nothing in paragraph (1) prejudices the operation of section 16 of the Interpretation Act 1978 in relation to any legal proceedings in respect of, or any penalty which may be imposed in relation to, a contravention of any provision of this Act committed before 1st December 2001.”; and
- (c) omit paragraphs (2) and (3).

57. Article 43 of that Order (offences by industrial assurance companies) has effect after commencement with the following modifications—

- (a) for paragraph (1) substitute—

“(1) Subject to paragraph (1A), any contravention by an industrial assurance company of—

 - (a) any provision of this Order which has effect on and after 1st December 2001,
 - (b) any provision of Part VI of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(35) (as applied to Northern Ireland before that date by any Order in Council under section 65 of that Act), or

(33) Article 36 was substituted by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 27.

(34) Paragraph (1) was amended by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 20.

(35) 1951 c. 65.

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- (c) any regulation made under section 57 of that Act which was applied to Northern Ireland before that date by any Order in Council under section 65 of that Act, is to be treated as if it were a contravention of a requirement imposed under the Financial Services and Markets Act 2000 (with the effect that Part XIV of that Act applies).”;
- (b) after paragraph (1) insert—
- “(1A) A contravention of the kind mentioned in paragraph (1) is not actionable under section 150 of the Financial Services and Markets Act 2000 (actions for damages).
- (1B) Nothing in paragraph (1) prejudices the operation of section 16 of the Interpretation Act 1978 in relation to any legal proceedings in respect of, or any penalty which may be imposed in relation to, a contravention of any provision of this Act committed before 1st December 2001.”; and
- (c) omit paragraphs (2) and (3).
- 58.** The following Article is substituted for Article 44 of that Order (offences by registered friendly societies other than collecting societies) and has effect after commencement—
- “**44.** Any contravention by a registered friendly society, other than a collecting society, of the provisions of Article 35(2), (3) or (3A), as they have effect on and after 1st December 2001, is to be treated as if it were a contravention of a requirement imposed under the Financial Services and Markets Act 2000 (with the effect that Part XIV of that Act applies).”.
- 59.** Article 48 of that Order (notices) has effect after commencement.
- 60.** Schedule 3 to that Order (limitations and other provisions affecting insurance by industrial assurance company of life of a parent or grandparent) has effect after commencement in relation to an existing policy effected in exercise of the power conferred by Article 16(1) of that Order (insurance on life of a parent or grandparent) with the following modifications—
- (a) omit paragraph 1 and paragraph 2(1); and
- (b) in paragraph 10(36), in the definition of “relevant insurance” after “insurance effected” insert “before 1st December 2001”.
- 61.** Schedule 4 to that Order (matters to be set out in premium receipt books) has effect after commencement for the purposes of Article 22 of that Order with the following modifications—
- (a) in paragraph 1(a)—
- (i) for the words from the beginning to “such a statement—” substitute—
- “as to the following provisions of this Order (or of rules as mentioned below), either—
- (i) those provisions, or
- (ii) with the consent of the Financial Services Authority, a statement which sets out the effect of any such provision—”,
- (ii) omit the reference to Article 9(1) to (4),
- (iii) for “and regulations made under Article 49(1)(d) for the purposes of Article 21” substitute “rules made by the Financial Services Authority relating to premium receipt books”; and
- (iv) omit the words from “and sections 72 and 73(2) and (3)”(37) to the end;

(36) The definition of “relevant insurance” was amended by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 30.

(37) These words were substituted by the Friendly Societies Act 1992, Schedule 19, paragraph 31(a).

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(b) in paragraph 1(b), omit the entry beginning “Article 15 of, and paragraph 2 of Schedule 9 to, this Order”.

62. The following Schedule is inserted after Schedule 4 to that Order and has effect after commencement in relation to existing policies—

“SCHEDULE 4A

MATTERS TO BE SET OUT IN STATEMENTS OF PROTECTIVE PROVISIONS

1. Subject to paragraph 2, the matters required to be set out in a statement under Article 22(2) are the following provisions of this Order—

Article 21A	provision of receipts
Article 21B	provision of statements
Article 27	misstatements and non-disclosure in proposals
Article 28	return of policies and premium receipt books after inspection
Article 29	notice before forfeiture
Article 30	provisions as to forfeited policies
Article 33	payment of claims
Article 36	disputes
Article 48	notices

2. A statement setting out the effect of any provision mentioned in paragraph 1 may be substituted for that provision if the Financial Services Authority so consents.”.

63. Schedule 6 to that Order (rules for valuing policies and ascertaining the amount of a free paid-up policy) has effect after commencement in relation to an existing policy.

64. Schedule 7 to that Order (special rules as to certain free paid-up policies) has effect after commencement in relation to an existing policy, with the substitution, in paragraph 2, for “the Commission”(38) of the words “an independent actuary whose appointment has been agreed by the society or company (as the case may be) and the policyholder”.

65. Schedule 9 to that Order (savings and transitional provisions) has effect after commencement in relation to an existing policy with the following modifications—

- (a) omit paragraph 1;
- (b) in sub-paragraph (1) of paragraph 2—
 - (i) after “this paragraph shall continue to apply to insurances effected” insert “before 1st December 2001”, and
 - (ii) for “is ordinarily resident” substitute “was ordinarily resident”;
- (c) in sub-paragraph (2) of paragraph 2 omit the words “insure or”;
- (d) in paragraph 3—
 - (i) omit the words “be insured” and “under paragraph 1(1)(b) or”, and

(38) The reference to the Commission was substituted by the Friendly Societies Act 1992, section 100, Schedule 19, paragraph 20(1).

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- (ii) for “paragraphs 1(1)(b)(ii) and” substitute “paragraph”; and
- (e) omit paragraphs 4, 6 and 10.