
STATUTORY INSTRUMENTS

1979 No. 1574 (N.I. 13)

NORTHERN IRELAND

The Industrial Assurance (Northern Ireland) Order 1979

Laid before Parliament in draft

Made

3rd December 1979

Coming into Operation

4th January 1980

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At the Court at Buckingham Palace, the 3rd day of December 1979

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order has been approved by a resolution of each House of Parliament:

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (a), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

Introductory

Title and commencement

1.—(1) This Order may be cited as the Industrial Assurance (Northern Ireland) Order 1979.

(2) This Order shall come into operation on the expiration of one month from the day on which it is made.

(a) 1974 c. 28.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954 (a), except sections 11 (1), 32, 38 and 46 (2), shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(2) In this Order—

“collecting book” includes any book or document held by a collector in which payments of premiums are recorded;

“collecting society” means a society which carries on industrial assurance business in Northern Ireland, being—

- (a) a friendly society (within the meaning of the Friendly Societies Act) which is, or is deemed to be, registered under that Act; or
- (b) a friendly society (within the meaning of the enactment in Great Britain corresponding to the Friendly Societies Act) which is, or is deemed to be, registered in Great Britain under that enactment and whose rules have been recorded in Northern Ireland;

“collector” includes every person howsoever remunerated who, by himself or by any deputy or substitute, makes house to house visits for the purpose of receiving premiums payable on policies of insurance on human life, or holds any interest in a collecting book, and includes such a deputy or substitute as aforesaid;

“the Commissioner” has the meaning given by Article 4 (1);

“the Department” means the Department of Commerce;

“endowment policy” means a policy issued, or deemed under paragraph 5 of Schedule 9 to have been issued, in accordance with paragraph 1 (1) (b) of Schedule 9, or a policy insuring money to be paid on the duration for a specified period of the life of the member or person assured, either with or without provision for the payment of money in the event of the death of that person before the expiration of the period;

“exempted business” means any of the following assurances upon human life—

- (a) assurances effected by a collecting society or an industrial assurance company established before 7th November 1924 which, at that date, had no assurances outstanding the premiums on which were payable at intervals of less than one month, so long as the society or company continues not to effect any such assurances;
- (b) assurances effected before 7th November 1924, premiums in respect of which are payable at intervals of one month or more, and which had, up to 1st January 1925, been treated as part of the business transacted by a branch other than the industrial branch of the collecting society or industrial assurance company;
- (c) assurances for £25 or more effected after 6th November 1924, premiums in respect of which are payable at intervals of one month or more, 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 the assurances are, on the whole, not less favourable to the assured than those imposed by this Order;

“the Friendly Societies Act” means the Friendly Societies Act (Northern Ireland) 1970 (a);

“industrial assurance business” has the meaning assigned to it by Article 3 (1);

“industrial assurance company” means a body corporate which carries on in Northern Ireland industrial assurance business;

“the Insurance Companies Order” means the Insurance Companies (Northern Ireland) Order 1976 (b);

“owner” means—

(a) in relation to any policy, the person who is for the time being the person entitled to receive the sums payable under the policy on maturity; and

(b) in the case of an illegal policy or a policy not within the legal powers of the collecting society or industrial assurance company which issued it, the person who would be so entitled were the policy a legal policy or a policy within those powers;

“parent” for the purposes of Article 16 and Schedules 2, 3 and 4, includes a stepfather and a stepmother;

“policy” includes any contract of assurance, and, for the purposes of Articles 23, 27 (4) and (5) and 35 (3) and paragraph 1 (1) (b) (i) of Schedule 9, the date of the making of any such contract shall be deemed to be the date of the issue of the policy;

“premium” includes contribution;

“premium receipt book” includes any book or document held by the owner of a policy in which acknowledgments of receipts of premiums payable in respect of the policy are entered;

“prescribed” shall be construed in accordance with Article 49 (1) (a);

“proposal”, in relation to an insurance, includes an application for an insurance, and “proposer” shall be construed accordingly;

“registered friendly society”, in Articles 35 and 44 and in Schedule 7 and Schedule 9 paragraph 1, includes a society registered or deemed to be registered in Great Britain whose rules have been recorded in Northern Ireland;

“Registrar” means the officer appointed under section 96 (1) of the Friendly Societies Act to perform in Northern Ireland the powers and duties of Registrar of Friendly Societies;

“rules” in relation to a company, means the memorandum and articles of association of the company.

(3) Expressions in this Order (other than those mentioned in paragraph (2)) have the same meanings as in the Friendly Societies Act.

(4) References in this Order to the recording of rules (of a friendly society registered or deemed to be registered in Great Britain) in Northern Ireland are to their being recorded under section 14 of the Friendly Societies Act 1896 (c) or under regulations made under section 104 of the Friendly Societies Act.

(5) For the purposes of this Order, an adopter shall be deemed to be the parent of the minor whom he is authorised to adopt under an adoption order.

(6) Where, before the making of an adoption order in respect of a minor, any insurance relating to that minor has been effected by the natural parent of

(a) 1970 c. 31 (N.I.).

(b) S.I. 1976/59 (N.I. 3).

(c) 1896 c. 25.

the minor under this Order, the rights and liabilities under the policy shall, by virtue of the adoption order, be transferred to the adopter, and the adopter shall, for the purposes of this Order, be treated as the person who took out the policy.

(7) For the purposes of section 42 (2) of the Northern Ireland Constitution Act 1973 (a) (validity of Acts of the Parliament of Northern Ireland), provisions of this Order which re-enact provisions of an Act of the Parliament of Northern Ireland shall be deemed to be provisions of such an Act.

(8) The provisions of this Order which re-enact provisions of the Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978 (b) (that is to say, Article 29 (2) and (3), Schedule 3 paragraph 2 (3) (ii), Schedule 6 Part IV and Schedule 7 paragraphs 4 to 6) shall have no greater effect by virtue of their re-enactment, and may be amended or repealed by regulations made under paragraph 13 of Schedule 4 to the Finance Act 1976 (c).

Industrial assurance

Industrial assurance business

3.—(1) Save as otherwise provided by this Order and without prejudice to paragraph 1 (3) of Schedule 9 (certain endowments and other insurances), this Order applies to industrial assurance business, that it to say, the business of effecting assurances upon human life (other than exempted business), being assurances the premiums in respect of which—

- (a) are received by means of collectors; and
- (b) are payable at intervals of less than two months.

(2) Where an industrial assurance company carries on both industrial assurance business and other business, nothing in this Order shall, save as otherwise expressly provided, apply to any of the business of the company other than the industrial assurance business.

(3) Where a collecting society or an industrial assurance company has ceased to effect industrial assurances, it shall, so long as it continues liable on the assurances previously effected, be deemed to carry on industrial assurance business.

(4) This Order has effect subject to the provisions of the Insurance Companies Order and in particular to Article 6 (2) of that Order (which prohibits the carrying on in Northern Ireland of industrial assurance business except by a body corporate authorised under Article 7 of that Order or a registered friendly society).

The Industrial Assurance Commissioner for Northern Ireland

4.—(1) The Registrar shall be the authority charged with such powers and duties in relation to industrial assurance as are conferred and imposed on him by this Order, and, in that capacity and in the exercise and performance of his powers and duties as Registrar under the Friendly Societies Act in relation to collecting societies, the Registrar shall continue to be known as and styled the Industrial Assurance Commissioner for Northern Ireland (“the Commissioner”).

(2) Anything which, under the Friendly Societies Act, is authorised or required to be done by, to or before the Registrar shall, where the society is a collecting society, be done by, to or before the Commissioner.

(3) Anything which, under this Order, is required to be done by, to or before the Commissioner may be done by, to or before such person as the Commissioner, with the approval of the Head of the Department, may appoint for the purpose.

(a) 1973 c. 36.

(b) S.R. 1978/131.

(c) 1976 c. 40.

Provisions applying only to collecting societies

Name of society

5.—(1) Subject to paragraph (2), the last words in the name of a collecting society shall be “collecting society”, and the society shall use its registered name on all documents issued by it and no other name.

(2) Paragraph (1) shall not apply to a collecting society registered before 1st January 1896 or to a friendly society which became a collecting society before 7th November 1924.

Notification of appointments of secretary and members of the committee of management

6. Every collecting society shall, within one month of the date when it is registered as such or becomes a collecting society, send to the Commissioner in such form as he may direct, the names of its secretary and of the members of its committee of management, and every such society shall, within 14 days after the appointment of a new secretary or a new member of the committee of management, send to the Commissioner, in such form as he may direct, the name of the person so appointed, together with such particulars in each case as the Commissioner may require.

Deposits by societies

7.—(1) Subject to paragraph (4) and to paragraph 6 (b) of Schedule 1, every collecting society shall be under an obligation to deposit with the Accountant-General of the Supreme Court the sum of £20,000 and to keep that sum so deposited while it carries on industrial assurance business in Northern Ireland.

(2) The provisions of Schedule 1 shall have effect with respect to deposits under, and otherwise for the purposes of, this Article.

(3) If the Commissioner is satisfied that a collecting society has made default in complying with the provisions of this Article, the Commissioner may award that the society be dissolved and its affairs wound up.

(4) A friendly society registered in Great Britain and carrying on industrial assurance business in Northern Ireland, which proves to the satisfaction of the Department that it has made a deposit in Great Britain under the Industrial Assurance Act 1923 (a) or any Act replacing or amending that Act, shall not be required to make a separate deposit in respect of industrial assurance business in Northern Ireland so long as it maintains the deposit made in Great Britain.

Provisions to be contained in rules

8.—(1) The rules of a collecting society shall provide—

(a) for a separate account being kept of all receipts in respect of the industrial assurance business transacted by the society, and for those receipts being carried to, and forming a separate fund under the name of, the industrial assurance fund; but nothing in this provision shall be construed as requiring the investments of the industrial assurance fund to be kept separate from the other investments of the society;

(b) for the industrial assurance fund being as absolutely the security of the owners of the industrial assurance policies as though it belonged to a society not carrying on any business other than industrial assurance business, and not being liable for any contracts of the society for which it would not have been liable had the business of the society been only

(a) 1923 c. 8.

that of industrial assurance, and not being applied directly or indirectly for any purposes other than those of the industrial assurance business of the society, so, however, as not to affect the liability of that fund to the prejudice of persons interested in contracts entered into by the society before 20th May 1924;

(c) for separate valuations being made of the industrial assurance business of the society.

(2) Save as otherwise provided by the rules of a collecting society, being rules registered before 4th August 1921,—

(a) the rules of a collecting society shall contain the tables in accordance with which policies of industrial assurance are issued by the society; and

(b) a policy shall not be issued by a collecting society otherwise than in accordance with the rules of the society and, except where paragraph 11 (4) of Schedule 2 to the Friendly Societies Act applies, in accordance with the tables for the time being in force as set forth in those rules.

(3) The provisions of this Order and of the Friendly Societies Act mentioned in Schedule 2 shall, subject to paragraph (4), be set out in the rules of every collecting society.

(4) The rules may in any case if the Commissioner consents, and shall in the case of the provisions of Schedule 5 to the Friendly Societies Act, in lieu of setting out the provisions in question, contain a statement which, in the opinion of the Commissioner, sufficiently sets out the effect thereof.

Obligations as to delivery of policies and copies of rules, etc.

9.—(1) A collecting society shall supply a member, free of charge, with the following—

(a) on his insuring with the society, with a printed policy signed by two of the committee of management and by the secretary or, if the society has been granted a certificate under Article 12 exempting it from the requirement imposed by this paragraph to supply a policy, with a copy of the rules of the society;

(b) on written demand by him, if a copy of the rules of the society has not previously been supplied to him, with a copy of the rules of the society;

(c) on written demand by him, if the rules of the society have been amended since he has been supplied with a copy thereof and a copy of the amendment has not previously been supplied to him, with a copy of the amendment.

(2) Where a copy of the rules of a collecting society has been supplied to a member under paragraph (1), further copies of the rules may be obtained by him from the society in accordance with section 14 of the Friendly Societies Act on payment of the sum prescribed under that section (50p or other sum prescribed by the Registrar).

(3) Where an amendment of the rules of a collecting society modifies the terms or conditions of any insurance issued by the society by way of increase of premiums or reduction of benefit, the society shall, within two months from the date on which the amendment is registered pursuant to section 12 of the Friendly Societies Act, either—

(a) serve every member of the society with a notice containing a statement which, in the opinion of the Commissioner, sufficiently sets forth the effect of the amendment; or

(b) publish such a statement by advertisement in two or more of the newspapers in general circulation in every county where the society carries on business.

(4) A member served with a notice under paragraph (3) (a) shall be regarded for the purpose of paragraph (1) as if he had been supplied with a copy of the amendment in question.

(5) For the purposes of this Article, a policy shall be deemed to be signed by a person if it bears a stamped, printed or lithographed reproduction of his signature placed thereon with his authority.

Copies of balance sheets to be made available for inspection

10. A copy of every balance sheet of a collecting society shall, during the seven days next preceding the meeting at which the balance sheet is to be presented, be kept open by the society for inspection at every office at which the business of the society is carried on, and shall on demand be delivered or sent by post to any member or person interested in the funds of the society.

Annual accounts and returns

11. The Commissioner, after considering any representations made by or on behalf of the society affected, may, if it appears to him that any account, return or balance sheet sent by a collecting society in pursuance of the Friendly Societies Act is in any particular incomplete or incorrect or does not comply with the requirements of the Act, reject the account, return or balance sheet and give such directions as he thinks necessary for the variation thereof.

Exemptions, total and partial

12.—(1) Subject to paragraph (4), the Commissioner may, on the application of a collecting society registered or applying for registration, grant to the society a certificate of exemption from all or any of the provisions of this Order, in any case where he is satisfied that the society does not or will not carry on the business of effecting assurances upon human life premiums in respect of which are received by means of collectors at a greater distance than 10 miles from the registered office of the society, and where he is of opinion that the society is not one to which those provisions ought to apply.

(2) A certificate of exemption under this Article shall be granted subject to the condition that the collecting society will not employ collectors to receive premiums on policies of assurance upon human life issued by the society at a greater distance than 10 miles from the registered office of the society, and, if, in the case of any society to which a certificate of exemption has been so granted, that condition is at any time not complied with, the society and any collector so employed shall be deemed to have contravened the provisions of this Order, and this Order shall be deemed, as from the date of such non-compliance, to have applied to the society as if such a certificate of exemption had not been granted to it.

(3) A certificate of exemption under this Article shall be subject to revocation by the Commissioner, but shall remain in force until—

(a) it has been so revoked, and

(b) notice of the revocation has been—

(i) advertised in the Belfast Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society, and

(ii) transmitted to the society by post.

(4) In this Article, "assurance upon human life" does not apply to any contract providing benefits in sickness or other infirmity if the terms of the contract are such that, of the amounts paid by way of premiums thereunder, not less than 60% will be paid for the purpose of providing those benefits.

Power to exempt societies registered in Great Britain

13.—(1) The Commissioner may, on the application of a collecting society registered in Great Britain, by order exempt it from any provision of this Order if he is satisfied that the existence of a provision of an enactment of the Parliament of the United Kingdom renders it unnecessary for the first-mentioned provision to apply to the society.

(2) The Commissioner may by order (“the revoking order”) revoke an order under paragraph (1).

(3) The Commissioner shall, within the three days next after making the revoking order, give written notice to the collecting society of the making of that order.

(4) The revocation of an order under paragraph (1) shall not take effect until—

- (a) such period as may be specified in the revoking order (which shall not be less than the four weeks next after the making thereof) has expired; and
- (b) notice that the revoking order has been made has been published in the Belfast Gazette.

Conditional exemption of juvenile societies

14.—(1) This Order shall not apply to a juvenile society, notwithstanding that premiums for juvenile members of the society are received by means of collectors, if and so long as premiums of any members of the society who are not juvenile members are not so received.

(2) In this Article—

“juvenile society” means a friendly society or branch, registered in Great Britain or Northern Ireland, which consists wholly or in part of juvenile members, and which is shown to the satisfaction of the Commissioner to be connected with, or to be a branch of, a friendly society so registered before 1st July 1926;

“juvenile member” means a member under the age of 18 years.

Provisions applying only to industrial assurance companies

Prohibition of insuring money to be paid on death of a child under 10

15.—(1) Subject to paragraphs (2) and (3), an industrial assurance company shall not insure so as to render any sum payable under the insurance on the death of any person at any time before he attains the age of 10 years, otherwise than by way of repayment of the whole of any part of premiums paid.

(2) Paragraph (1) does not apply to a sum payable to another person who has an interest in the life of the person on whose death the sum is payable.

(3) Subject to any order under Article 52, paragraph (1) applies only where the death in question is that of a person who, at the time of the proposal, is ordinarily resident in the United Kingdom or the Isle of Man.

Insurance on life of parent or grandparent

16.—(1) The purposes for which industrial assurance companies may insure include insuring money to be paid to the person insured on the death of a parent or grandparent of his.

(2) Paragraph (1) has effect subject to the limitations and other provisions contained in Schedule 3.

Prohibition of charges on industrial assurance fund

17.—(1) Subject to paragraph (2), an industrial assurance company shall not issue any debentures or debenture stock, or raise any loan, charged or purporting to be charged on any assets of the company in which the industrial assurance fund is invested, and any such charge shall be void.

(2) Paragraph (1) does not apply to a temporary bank overdraft.

Investigation of affairs

18.—(1) If, in the opinion of the Commissioner, there is reasonable cause to believe that in the case of any industrial assurance company an offence against this Order, or against the Insurance Companies Order, has been or is likely to be committed, the Commissioner, or any inspector appointed by him with the approval of the Head of the Department for the purpose, may investigate and report on the affairs of the company, and, for that purpose may exercise all or any of the powers conferred by subsection (6) of section 76 of the Friendly Societies Act on an inspector appointed under that section.

(2) Where the Commissioner holds an investigation pursuant to paragraph (1) or receives the report of an inspector appointed under that paragraph, the Commissioner may issue such directions and take such steps as he considers necessary or proper to deal with the situation disclosed by the investigation or report, and, in particular, may present a petition to the court for the winding-up of the industrial assurance company.

(3) The Commissioner may, if he considers it just, direct that all or any of the expenses of, and incidental or preliminary to, an investigation under this Article shall be defrayed out of the funds of the company, or by the officers or former officers or board of directors of the company, or any of them, in such proportions as the Commissioner directs, and sums directed by the Commissioner to be so paid shall be recoverable summarily by him as a civil debt.

(4) Any industrial assurance company or person directed to pay any part of any such expenses as are mentioned in paragraph (3) may, with the leave of the High Court, appeal against the direction to that Court.

Order to have effect notwithstanding rules or special Act

19.—(1) Subject to paragraph (2), the provisions of this Order shall have effect notwithstanding anything in the rules or special Act of any industrial assurance company.

(2) Nothing in this Order shall affect the liability of the industrial assurance fund, or of the life assurance fund in the case of a company established before the 1st January 1925, to the prejudice of persons interested in contracts entered into by the company before that date.

*Provisions applying to both collecting societies
and industrial assurance companies*

Illegal policies

20.—(1) Any collecting society or industrial assurance company which issues policies of industrial assurance which are illegal or are not within the legal powers of the society or company shall be held to have made default in complying with the provisions of this Order, and, where any such policy has been issued, the society or company shall, without prejudice to any other penalty, be liable to pay to the owner of the policy a sum equal to the surrender value of the policy (to be ascertained in the manner hereinafter provided), or, if the policy was issued after 31st December 1924, a sum equal to the amount

of the premiums paid, unless it is proved that owing to any false representation on the part of the proposer, the society or company did not know that the policy was illegal or beyond their legal powers.

(2) A collector of, or person employed by, a society or company shall not knowingly assist in effecting a policy of industrial assurance which is illegal or not within the legal powers of the society or company.

Premium receipt books

21. A collecting society and an industrial assurance company shall provide premium receipt books for use in respect of policies of industrial assurance issued by the society or company, and shall cause a receipt for each payment in respect of such a policy, or of two or more such policies, to be entered in such a book.

Matters to be set out in premium receipt books

22. A collecting society and an industrial assurance company shall cause to be set out, in every premium receipt book provided by the society or company for use in respect of policies of industrial assurance, the matters specified in Schedule 4 relating to the statutory provisions specified in that Schedule.

Returns as to industrial assurances

23.—(1) A collecting society and an industrial assurance company shall, for each year as respects which they are required by the Commissioner in the prescribed manner to do so, send to him within such period as may be prescribed a return giving prescribed particulars as to policies of industrial assurance issued by the society or company which were in force at the beginning of that year, in force at the end of that year, issued during that year or discontinued or converted to free policies during that year.

(2) Article 11 shall apply to returns under this Article.

(3) In this Article, "year" means—

- (a) in relation to a collecting society, a year ending on 31st December; and
- (b) in relation to an industrial assurance company, a financial year of the company.

Valuations, etc.

24. The provisions of Schedule 5 shall, in the case of a collecting society or an industrial assurance company, have effect in relation to valuations and to the other matters specified therein, including the powers of the Commissioner in any case where the valuation discloses a deficiency.

General meetings

25.—(1) At least one general meeting of every collecting society and industrial assurance company shall be held in every year.

(2) Except where the day, hour and place of an annual or other periodical meeting is fixed by the rules, notice of every general meeting shall either be given by the society or company to the members by advertisement to be published at least twice in two or more of the newspapers in general circulation in every county where the collecting society or industrial assurance company carries on business, or be served upon every member.

(3) The notice shall specify the day, hour and place, and objects of the meeting, and, in case any amendment of a rule is intended to be proposed, shall contain a copy of every such amendment.

(4) The collecting society or industrial assurance company shall publish the last of such advertisements, or serve the notice, at least 14 days before the day appointed for the meeting, and shall, during those 14 days, keep a copy of the notice in legible characters affixed in some conspicuous place in or outside every office at which the business of the society or company is carried on.

Rights of owners of policies

Proposals for policies

26.—(1) Every proposal for an industrial assurance policy shall, except where—

- (a) the policy is taken out on the life and on behalf of a child under the age of 16 years; or
- (b) the policy assures a payment of money on the death of a parent or grandparent and is effected in exercise of the power conferred by Article 16; or
- (c) the person whose life is to be assured under the policy is a person in whom the proposer has an insurable interest;

contain a declaration by the person whose life is to be assured that the policy is to be taken out by him, and that the premiums thereon are to be paid by him.

(2) Where the person whose life is to be assured under the policy is a person in whom the proposer has an insurable interest, the proposal shall contain a statement of the nature of that interest.

(3) A collecting society or industrial assurance company shall not, nor shall any collector or agent of such a society or company, issue a proposal form or accept a proposal which does not comply with the foregoing provisions of this Article.

Misstatements, and non-disclosure, in proposals

27.—(1) If the proposal for an industrial assurance policy contains a statement that the person whose life is proposed to be assured is not at the time of making the proposal a person on whose life another policy has been issued by the collecting society or industrial assurance company, and a policy is issued in pursuance of the proposal, the society or company shall be liable under the policy, notwithstanding that the statement is not true and the truth of the statement is made a condition of the policy.

(2) Subject to paragraphs (3) and (4), if a proposal form for an industrial assurance policy is filled in wholly or partly by a person employed by the collecting society or industrial assurance company, the society or company shall not, except where a fraudulent statement in some material particular has been made by the proposer, be entitled to question the validity of the policy founded on the proposal on the ground of any misstatement contained in the proposal form.

(3) If the proposal form mentioned in paragraph (2) contains a misstatement as to the age of the person whose life is proposed to be assured, the society or company may so adjust the terms of the policy, or of any policy which may be issued in substitution or in lieu thereof, as to make them correspond with the terms which would have been applicable if the correct age of the person had been originally inserted in the proposal.

(4) In relation to a policy issued after 22nd December 1948, paragraph (2) does not apply to a misstatement concerning the state of health of the person upon whose life the assurance is to be taken out.

(5) Nothing in any term or condition of an industrial assurance policy issued after 22nd December 1948, or in the law relating to insurance shall operate to except the collecting society or industrial assurance company from liability under such a policy, or to reduce the liability of the society or company under such a policy, on the ground of any matter relating to the state of health of the person upon whose life the assurance is taken out, other than the ground of the proposer's having, when making the proposal or thereafter and before the making of the contract, either—

- (a) made an untrue statement of his knowledge and belief as regards that matter; or
- (b) failed to disclose to the society or company something known or believed by him as regards that matter.

Return of policies and premium receipt books after inspection

28.—(1) Subject to paragraph (2), if at any time a collecting society or industrial assurance company, or any person employed by such a society or company, takes possession of a policy or premium receipt book or other document issued in connection with a policy, a receipt shall be given, and the policy, book or document shall be returned to the owner of the policy within 21 days, unless the policy has been terminated by reason of satisfaction of all claims capable of arising thereunder.

(2) Where possession is taken of a policy, book or document for the purpose of legal proceedings to be taken against a collector by the collecting society or industrial assurance company that issued the policy, the society or company may retain the policy, book or document so long as may be necessary for the purposes of those proceedings, but, in that case, if the policy, book or document is retained for more than 21 days, the society or company shall supply to the owner of the policy a copy thereof certified by the society or company to be a true copy.

Notice before forfeiture

29.—(1) A forfeiture shall not be incurred by any member or person assured in a collecting society or industrial assurance company by reason of any default in paying any premium until after—

- (a) notice stating the amount due from him, and informing him that in case of default of payment by him within 28 days and at a place to be specified in the notice his interest or benefit will be forfeited, has been served upon him by or on behalf of the society or company; and
- (b) default has been made by him in paying any premium in accordance with that notice.

(2) In the application of this Article to an industrial assurance contract to which the prescribed scheme, or an approved scheme which provides for payment of net premiums, applies, paragraph (1) shall have effect as if for the words "the amount due" there were substituted the words "the amount of the net premiums due".

(3) In paragraph (2)—

"industrial assurance contract" means a contract made by a collecting society with a member of the society in the course of its industrial assurance business in Northern Ireland, whether contained in the rules of the society or not, or a contract of assurance made by an industrial assurance company in the course of its industrial assurance business in Northern Ireland;

“the prescribed scheme” means the scheme prescribed in Schedule 1 to the Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978 (a);

“an approved scheme” means a special scheme approved by the Commissioner in the circumstances provided for in regulation 8 of those Regulations;

“net premium” means a sum equal to $82\frac{1}{2}\%$ of the amount of the premium payable under the contract, except that where that sum is not a multiple of one halfpenny it shall be rounded off to the nearer halfpenny or where it is a multiple of one half of one halfpenny it shall be rounded off to the nearer penny.

(4) This Article extends to contracts of assurance effected by a collecting society before 1st January 1925 which are not contracts of industrial assurance within the meaning of this Order and in relation to such contracts the definition of “net premium” in paragraph (3) shall have effect as if for the words from “except that” onwards there were substituted the words “except that where that sum is not a multiple of one penny it shall be rounded off to the nearer penny, or where it is a multiple of one halfpenny it shall be rounded off to the nearer even penny”.

Provisions as to forfeited policies

30.—(1) Where notice of the forfeiture of a policy of industrial assurance by reason of default in the payment of any premium thereunder has been served on the owner of the policy, then, if the policy is one—

- (a) for the whole term of life or for a term of 50 years or more, and the person whose life is assured under it was over 15 years of age at the time of the default, and not less than five years' premiums have been paid on the policy; or
- (b) for a term of 25 years or more, but less than 50 years, and not less than five years' premiums have been paid on it; or
- (c) for a term of less than 25 years and not less than three years' premiums have been paid on it;

the owner of the policy shall, on making application for the purpose to the collecting society or industrial assurance company within one year from the date of the service of the notice, be entitled—

- (i) to a free paid-up policy for such amount as is mentioned in paragraphs (2) and (3) payable upon the happening of the contingency upon the happening of which the amount assured under the original policy would have been payable or of any other contingency not less favourable to the owner of the policy; or
- (ii) if the owner of the policy is permanently resident or submits satisfactory proof of his intention to make his permanent residence outside Northern Ireland, Great Britain, the Isle of Man and the Channel Islands, or if the person whose life is assured has disappeared and his existence is in doubt, to the surrender value of the forfeited policy ascertained in the manner provided by Article 34 and Schedule 6.

(2) Subject to paragraph (3), the amount of a free paid-up policy so issued shall not be less than such as may be determined in accordance with the rules contained in Schedule 6, and shall be ascertained at the date when the premium following the last premium paid became due.

(3) The amount of the free paid-up policy shall not exceed the difference between the amount of the forfeited policy (inclusive of any bonus added

thereto) and the amount which would be assured by a corresponding policy at the same premium effected on the life of the same person according to the age of that person at his birthday next following the date of forfeiture.

(4) In every premium receipt book issued after 31st December 1924, there shall be printed a notice stating that, in the event of the forfeiture of any policy of industrial assurance by reason of default in the payment of premiums thereunder,—

(a) the owner of the policy shall, if the policy has been in force a sufficient period as provided by this Article, be entitled—

(i) to a free paid-up policy; or

(ii) if the conditions mentioned in paragraph (1) (ii) are fulfilled, to the surrender value of the policy; and

(b) upon application by the owner of the policy to the head office of the society or company information as to the amount of such free paid-up policy or surrender value will be supplied;

and the collecting society or industrial assurance company shall, upon application in accordance with sub-paragraph (b), supply the information mentioned in that sub-paragraph.

(5) Where the rules of a collecting society or the conditions of a policy are such as would confer on the owner of the policy in case of forfeiture rights more favourable to the owner of the policy than those conferred by this Article, nothing in this Article shall prevent the owner of the policy from claiming under those rules or conditions instead of under this Article.

Substitution of policies

31.—(1) Where the owner of an industrial assurance policy agrees to accept a new policy in substitution therefor, the collecting society or industrial assurance company shall pay to the owner of the policy the surrender value (to be ascertained in the manner provided by Article 34 and Schedule 6) of the old policy or shall issue to him a free paid-up policy of equivalent value, unless the value of the substituted policy, calculated in accordance with the rules set out in Schedule 6, at the date of the substitution is equal to or exceeds such surrender value.

(2) In any such case, the society or company shall furnish to the owner of the policy, with the new policy and new premium receipt book, a statement setting forth the rights of the owner under this Article, and containing an account certified by the secretary of the collecting society or industrial assurance company, or other officer appointed for the purpose, showing the surrender value of the old policy and the value of the new policy.

(3) Where a substituted policy is so issued and the value thereof is equal to or exceeds the surrender value of the old policy, then, for the purpose of determining whether the owner is entitled to a free paid-up policy or surrender value under Article 30, the substituted policy shall be deemed to have been issued at the date at which the old policy was issued, and premiums shall be deemed to have been paid on the substituted policy in respect of the period between that date and the date at which the substituted policy was actually issued.

Transfers from one society or company to another

32.—(1) A member of or person assured with a collecting society or an industrial assurance company shall not, except—

(a) as respects a collecting society, in the case of an amalgamation, transfer of engagements or conversion into a company under the Friendly Societies Act or this Order; or

(b) as respects an industrial assurance company, in the case of an amalgamation or transfer of business under the Insurance Companies Order or this Order;

be transferred from the society or company in which he was so assured so as to become or be made a member of, or be assured with, any other such society or company without his written consent, or, in the case of an infant, without the like consent of his parent or other guardian, and any collecting society or industrial assurance company, and any collector or other officer of any such society or company, concerned in such a transfer shall, if the provisions of this Article are not complied with, be deemed to have contravened the provisions of this Order.

(2) A consent under paragraph (1) shall be in the prescribed form and shall have annexed to it a document in the prescribed form (to be furnished by the collecting society or industrial assurance company to which the transfer is to be made) setting out—

- (a) the terms of, and rights under, the existing policy;
- (b) the terms of, and rights under, the policy to which the assured will become entitled on transfer;
- (c) the consideration (if any) which has been or is to be paid for the transfer; and
- (d) the person to whom such consideration has been or will be paid.

(3) The collecting society or industrial assurance company to which the assured is sought to be transferred shall furnish to the person by whom such consent as aforesaid is signed a copy of the consent and of the document annexed thereto, and shall, within seven days from the date when the consent is signed, give to the society or company from which the assured is sought to be transferred notice of the proposed transfer containing full particulars of the name and address of the assured and the number of his policy, together with the consent and the document annexed to it.

(4) As from the date of the notice mentioned in paragraph (3), the collecting society or industrial assurance company from which the person is sought to be transferred shall cease to be under any liability with respect to the policy in question and shall not be required to serve any notice of forfeiture of the policy in accordance with Article 29.

Payment of claims

33. Where a claim arising under a policy of industrial assurance is paid, no deductions shall be made on account of any arrears of premiums due under any other policy.

Value of policies

34.—(1) Where, for the purposes of this Order, the value of a policy (including an illegal policy and a policy beyond the legal powers of a collecting society or industrial assurance company) has to be ascertained, the value of the policy shall be calculated in accordance with the rules set out in Schedule 6.

(2) The surrender value of such a policy shall be an amount equal to 75% of the value of the policy so calculated.

Rights of owners of certain endowment policies

35.—(1) This Article applies to—

- (a) any policy issued, or deemed under paragraph 5 of Schedule 9 to have been issued, by a registered friendly society or an industrial assurance company in accordance with paragraph 1 (1) (b) of that Schedule

(endowment policy on life of parent, child, grandparent, grandchild, brother or sister); and

- (b) any other endowment policy issued by a registered friendly society or an industrial assurance company on the life of a child under the age of 10 years.

(2) Where, under any policy to which this Article applies, not less than one year's premiums have been paid, the owner of the policy shall be entitled at any time within one year from the date on which the last premium was paid to surrender the policy and to claim either—

(a) a free paid-up policy in conformity with the rules contained in Schedule 7; or

(b) payment of a surrender value equal to 90% of the value of the sum or sums payable under such a free paid-up policy calculated in accordance with the rules contained in Schedule 6, Part III;

and the society or company shall comply with a claim so made.

(3) In every premium receipt book in respect of a policy to which this Article applies, being a book issued after 30th September 1929 by a collecting society or an industrial assurance company, the society or company shall set out the provisions of this Article, and of Schedule 7, printed in distinctive type, or, if the Commissioner consents, a statement in lieu thereof which, in the opinion of the Commissioner, sufficiently sets forth the effect of those provisions; and a registered friendly society shall not issue any policy to which this Article applies unless the rules of the society contain a rule which, in the opinion of the Registrar, sufficiently sets forth the effect of those provisions.

Disputes

Disputes

36.—(1) Subject to paragraph (2), in all disputes between a collecting society or an industrial assurance company and—

(a) any member or person assured; or

(b) any person claiming through a member or person assured, or under or in respect of any policy, or under the rules, or under this Order; or

(c) any person aggrieved who has ceased to be a member or any person claiming through such a person aggrieved;

that member or person may, notwithstanding any provisions of the rules of the society or company to the contrary, apply to the county court, or to a court of summary jurisdiction for the place where that member or person resides, and the court may (but in the case of a court of summary jurisdiction only if the amount of the claim does not exceed £25 and not less than 14 days' notice of the application has been given to the society or company) settle that dispute according to the provisions of the Friendly Societies Act.

(2) Any dispute mentioned in paragraph (1) may be referred to the Commissioner—

(a) by such collecting society, industrial assurance company, member or person as aforesaid, if the amount of the claim does not exceed £50 and the legality of the policy is not questioned, and fraud or misrepresentation is not alleged; and

(b) in any case, by both parties, without restriction as to the amount of the claim or the nature of the question to be decided;

and, where a dispute is so referred, the Commissioner may deal with the dispute as if it were a dispute referred to him under section 65 of the Friendly Societies Act.

(3) Where a doubt arises as to the continued existence of the person on whose life a policy of industrial assurance was taken out, the Commissioner may, on the application of the owner of the policy or of the collecting society or industrial assurance company which issued the policy, award that the society or company shall pay to the owner of the policy the surrender value thereof at the time of the award, and the award shall be a discharge for all claims by or against the society or company in connection with the policy.

Provisions as to collectors, etc.

Disabilities of collectors, etc.

37.—(1) A collector of a collecting society or industrial assurance company shall not be a member of the committee of management, or, in the case of a company, of the board of directors, or hold any other office in the society or company except that of superintending collectors within a specified area.

(2) A collector or superintendent shall not be present at any meeting of the collecting society or industrial assurance company.

Restriction on employment of persons to procure new business

38.—(1) A collecting society or industrial assurance company shall not, nor shall any person employed by such a society or company, employ any person not being a person in the regular employment of the society or company to procure or endeavour to procure any person to enter into a contract of industrial assurance, and a person not regularly in the employment of such a society or company shall not procure or endeavour to procure any person to enter into such a contract.

(2) For the purposes of this Article, references to regular employment include regular part-time as well as regular whole-time employment.

Amalgamations, transfers and conversions

Transfer of engagements of collecting societies

39.—(1) Sections 70 and 71 of the Friendly Societies Act, in their application to an amalgamation and transfer of engagements of collecting societies, shall have effect subject to the modification that an amalgamation or transfer shall not become effective unless sanctioned by the Commissioner; and the Commissioner, before sanctioning any such amalgamation or transfer, shall hear any representations made on behalf of any class of persons (including the employees of any society concerned) who allege that they are adversely affected by the amalgamation or transfer, and may require as a condition of his sanction that the terms of the amalgamation or transfer shall be modified in such manner as he considers just.

(2) The said sections 70 and 71, as so modified, shall apply to the transfer by a collecting society of its engagements to an industrial assurance company as if, in subsection (2) of the said section 70, for the words "any other registered society" there were substituted the words "an industrial assurance company"; and section 72 of the Friendly Societies Act, so far as it enables a registered friendly society to transfer its engagements to a company, shall not apply to a collecting society.

Transfer of business from company to society

40. Articles 53 and 54 of the Insurance Companies Order, as modified in relation to industrial assurance business by Article 83 (5) (scheme for transfer of long term business from one industrial assurance company to another) shall, with the necessary modifications, apply to the transfer of industrial assurance business from an industrial assurance company to a collecting society.

Conversion of collecting society into company

41.—(1) Section 72 of the Friendly Societies Act, in so far as it relates to the conversion of a society into a company shall, in its application to a collecting society, have effect subject to the following modifications—

- (a) a copy of the special resolution shall be sent to the Commissioner;
- (b) if within one month after the copy of the special resolution is so sent to him the Commissioner gives notice in writing to the society that he objects to the conversion, the conversion shall not be effected without the sanction of the court;
- (c) on the application to the court for such sanction the Commissioner shall be entitled to appear and be heard.

(2) Without prejudice to the powers conferred by section 72 of the Friendly Societies Act, as so modified, the committee of management of a collecting society having more than 100,000 members may, subject to paragraph (3), petition the court to make an order for the conversion of the society into a mutual company under the Companies Acts (Northern Ireland) 1960 and 1978 (a) and the court may make such an order if, after hearing the Commissioner (if he desires to be heard) and the committee of management and any other persons whom the court considers entitled to be heard on the petition, the court is satisfied, on a poll being taken, that 55% at least of the members of the society over 16 years of age agree to the conversion.

(3) Before any petition mentioned in paragraph (2) is presented to the court, notice of intention to present the petition shall be published in the Belfast Gazette and in such newspapers as the court may direct.

(4) The court may give such directions as it considers fit for settling a proper memorandum and articles of association of the company.

(5) When a collecting society converts itself into a company in accordance with the provisions of this Article, subsections (3) and (4) of section 72 of the Friendly Societies Act shall apply in like manner as if the conversion were effected under that section.

(6) In this Article, "the court" means the High Court.

Offences

Offences by collecting societies

42.—(1) Any collecting society which contravenes or fails to comply with—

- (a) any of the provisions of this Order or of any regulations made under Article 49 (1) (d) for the purposes of Article 21; or
- (b) any directions given by the Commissioner under this Order;

shall, subject to paragraph (2), be guilty of an offence; and, subject to paragraph (3), the provisions of the Friendly Societies Act with respect to offences under that Act shall apply to offences by collecting societies under this Order.

(2) A collecting society shall not be guilty of an offence under paragraph (1) by reason of its insuring in contravention of Schedule 3, paragraph 2, if it is proved that, owing to any false representation on the part of the proposer, the society did not know that the insurance was in contravention of that paragraph.

(3) The maximum penalty which may be imposed on a collecting society for an offence under paragraph (1) shall be a fine not exceeding £200.

Offences by industrial assurance companies

43.—(1) Any industrial assurance company which—

- (a) contravenes or fails to comply with—

(a) 1960 c. 22 (N.I.); S.I. 1978/1042 (N.I. 12).

- (i) any of the provisions of this Order or of Part VI of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951 (a) (as applied to Northern Ireland by any Order in Council under section 65 of that Act); or
- (ii) any regulation made under Article 49 (1) (d) for the purposes of Article 21; or
- (iii) any regulation made under section 57 of the said Act of 1951 as so applied; or

(b) contravenes or fails to comply with any directions given by the Commissioner under this Order;

shall, subject to paragraph (2), be guilty of an offence.

(2) An industrial assurance company shall not be guilty of an offence under this Article consisting in its insuring in contravention of Schedule 3, paragraph 2, if it is proved that, owing to any false representation on the part of the proposer, the company did not know that the insurance was in contravention of that paragraph.

(3) A company guilty of an offence under this Article shall be liable on summary conviction to a fine not exceeding £200.

(4) So far as regards Article 35 (2), this Article does not prejudice any liability of a company subsisting otherwise than by virtue of this Article.

Offences by registered friendly societies other than collecting societies

44. Any registered friendly society, other than a collecting society, which contravenes or fails to comply with the provisions of Article 35 (2) or (3) shall be guilty of an offence under the Friendly Societies Act.

Offences by collectors, etc.

45. Any collector of a collecting society or industrial assurance company, or any other person, who contravenes or fails to comply with—

- (a) any provision of this Order; or
- (b) any regulation made under Article 49 (1) (d) for the purposes of Article 21,

affecting such a collector or other person shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding £50.

Supplementary matters connected with offences

46.—(1) Any body of persons, not being a collecting society or an industrial assurance company, which carries on industrial assurance business shall, without prejudice to any penalty to which it may thereby become liable, be liable to pay to the owner of any policy of industrial assurance issued by that body such sum as an industrial assurance company which has knowingly issued an illegal policy is under this Order liable to pay to the owner of that illegal policy.

(2) Notwithstanding any limitation on the time for the taking of proceedings contained in any Act or Measure, summary proceedings for offences under this Order or the Friendly Societies Act, where the society by or in respect of which, or the person by or in respect of whom, the offence is alleged to have been committed is a collecting society or an officer of such a society, may be commenced at any time within one year of the first discovery thereof by the Commissioner, but not in any case after more than three years from the commission of the offence.

(3) The court by which a fine is imposed in pursuance of this Order (except Article 43) may direct that the whole or any part thereof shall be applied in or towards the payment of the costs of the proceedings.

Penalties for falsification

47. If any person wilfully makes, orders, or allows to be made any entry or erasure in, or omission from, a collecting book or premium receipt book with intent to falsify that book or to evade any of the provisions of this Order, he shall be guilty of an offence and shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding £50, or to both.

Miscellaneous

Notices

48. Where any notice is required by this Order to be served upon any member or other person, the notice shall be in writing, and either delivered or sent by post to him, or, in the case of a notice of default, so delivered or sent or left at his last known place of abode.

Regulations

49.—(1) The Department may make regulations—

- (a) for prescribing anything which under this Order is to be prescribed;
- (b) subject to the approval of the Department of Finance, for imposing fees;
- (c) in relation to deposits under Article 7, with respect to applications for warrants and as to the withdrawal and transfer of deposits;
- (d) with respect to the form of premium receipt books to be provided for the purposes of Article 21, and to the use of such books and the insertion of receipts in them, and, without prejudice to the generality of this subparagraph, such regulations may—
 - (i) provide for the prohibition or restriction in any prescribed circumstances of the use of a single premium receipt book for payments in respect of two or more policies;
 - (ii) provide for the insertion in premium receipt books provided under Article 21 of statements approved by the Department explaining the effect of any regulations made under section 6 of the Decimal Currency Act 1969 (a);
 - (iii) prescribe the information to be entered in premium receipt books for the purpose of explaining the effect of the adoption by a collecting society or an industrial assurance company of a scheme prescribed or approved in pursuance of section 6 (3) of the said Act of 1969;
- (e) generally for carrying this Order into effect.

(2) All regulations made under this Article shall be laid before the Assembly as soon as may be after they are made, and if an address is presented to the Secretary of State by the Assembly within the statutory period after the regulations are so laid praying that the regulations may be annulled, the Secretary of State may by order annul the regulations; and regulations so annulled shall forthwith become void, but without prejudice to the validity of anything which in the meantime may have been done under them, or to the making of new regulations.

Reports of Commissioner

50.—(1) The Commissioner shall, in every year, make a report to the Head of the Department of his proceedings under this Order, which may contain any comments he may consider desirable to make on the valuations, annual returns

or other documents or matters brought before him under this Order, and any correspondence in relation thereto, and the Head of the Department shall lay the report before the Assembly.

(2) The Commissioner shall include in his report under paragraph (1) a report of his proceedings under the Insurance Companies Order.

Effect of award dissolving a collecting society

51.—(1) Where, under this Order, the Commissioner awards that a collecting society be dissolved and its affairs wound up, the award shall be made in like manner and have the like consequences as if it were an award made under section 84 of the Friendly Societies Act, and may direct in what manner the assets are to be divided or appropriated.

(2) Where the Commissioner has made, in respect of a collecting society, such an award under this Order as is mentioned in paragraph (1), the society may appeal against the award to the High Court.

Power to extend references in this Order and other legislation to residence in, or outside, the United Kingdom and the Isle of Man

52.—(1) If provision for the payment of death grants corresponding to the provision therefor made by or under the enactments relating to social security is made by or under the law of a country or place outside Northern Ireland, the Secretary of State may by order provide for extending the application of—

(a) Article 15 (3) of, or paragraph 1 of Schedule 3 to, this Order; or

(b) section 61 (4) of, or paragraph 2 (d) of Schedule 1 to, the Friendly Societies Act;

or for restricting the application of—

(i) paragraph 1 or 2 of Schedule 9 to this Order; or

(ii) paragraphs 1, 2 and 4 of Schedule 7 to the Friendly Societies Act;

subject to any modifications necessitated by differences between any provision made by or under those enactments and the corresponding provision, so as to respectively include or exclude insurances where the funeral expenses in question are those, or the life or death in question is that, of a person who, at the time of the proposal, is ordinarily resident in that country or place, and for any consequential amendments of this Order or the Friendly Societies Act.

(2) The Secretary of State shall not be recommended to make an order under this paragraph until a draft thereof has been laid before the Assembly for the statutory period, and, if the Assembly within that period resolves that further proceedings be not taken in relation thereto, no further proceedings shall be so taken, but without prejudice to the preparation of a fresh draft.

Consequential amendments

53. The enactments specified in column 1 of Schedule 8 shall have effect subject to the amendments shown in column 2 of that Schedule, being amendments consequential on the provisions of this Order.

Saving and transitional provisions

54. The saving and transitional provisions specified in Schedule 9 shall have effect for the purposes of this Order.

Repeals

55. The enactments specified in Schedule 10 are hereby repealed to the extent shown in column 3 of that Schedule.

N. E. Leigh,
Clerk of the Privy Council.

SCHEDULES

Article 7 (1), (2).

SCHEDULE 1

DEPOSITS BY COLLECTING SOCIETIES

1. The deposit shall be made before the society commences to carry on industrial assurance business in Northern Ireland.

2. In the case of a society applying for registration under the Friendly Societies Act, or for the registration of amendments of its rules, if the proposed rules of the society, or proposed amendments, are such as will enable the society to carry on industrial assurance business, the Commissioner shall not issue to the society an acknowledgment of registration of the society or, as the case may be, of amendment of rules until the deposit has been made.

3. The deposit shall not be accepted except on a warrant of the Department.

4. Rules of court may be made with respect to—

- (i) the payment of deposits;
- (ii) the laying out of deposits at interest;
- (iii) the investment of deposits by the Accountant-General in securities;
- (iv) the transfer of deposits to any fund established for the investment of money deposited in the Supreme Court;
- (v) otherwise dealing with deposits.

5. Subject to paragraph 6 (a), the interest or dividends accruing due on the deposit or on securities in which the deposit is for the time being invested shall be paid to the society.

6. Where the rules of a collecting society ("a subsidiary society"), whether registered before or after the making of this Order, provide that the management of that society shall be vested in the committee of management of some other friendly society ("the principal society") which was registered before 4th August 1921—

- (a) the principal society may make the deposit on behalf of the subsidiary society and may apply any of its funds for that purpose, and, in that case, the interest on the deposit, or the securities in which the deposit is for the time being invested, shall be paid to the principal society and not to the subsidiary society; or
- (b) the principal society may guarantee the liabilities of the industrial assurance fund of the subsidiary society to the extent of £20,000 in such manner and subject to such amendment of rules as the Commissioner may require, and the principal society may amend its rules accordingly; and, if the Commissioner is satisfied with that guarantee, the guarantee may be accepted in lieu of the deposit.

7. Where the principal society is a society with branches, the rules of the society may provide for the central body of the society borrowing from the branches, and the branches lending to the central body, funds required for making the deposit.

Article 8 (3).

SCHEDULE 2

PROVISIONS OF THIS ORDER AND OF THE FRIENDLY SOCIETIES ACT TO BE SET OUT IN RULES OF COLLECTING SOCIETIES

Provisions of this Order

Article 9 (1) to (3)

Obligations as to delivery of policies, and copies of rules and amendments thereof.

| | |
|---------------------|--|
| Article 10 | Balance sheets. |
| Article 20 | Illegal policies. |
| Article 21 | Premium receipt books. |
| Article 25 | General meetings. |
| Article 26 | Provisions as to proposals for policies. |
| 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 31 | Substitution of policies. |
| Article 32 | Transfers from one society or company to another. |
| Article 33 | Payment of claims. |
| Article 36 | Disputes. |
| Article 38 | Restriction on employment of persons to procure new business. |
| Article 47 | Penalties for falsification. |
| Article 48 | Notices. |
| Article 49 (1) (d) | Rules for the purposes of Article 21. |
| Schedule 5 | Provisions as to valuations and related matters. |
| Schedule 9, para. 4 | Saving for certain policies issued before 3rd December 1909. |

Provisions of the Friendly Societies Act

| | |
|----------------------|---|
| Section 62 | Limitations on insurance of life of parent or grandparent. |
| Section 63 (2) & (3) | Prohibition of assignment or charge in respect of insurances mentioned in section 62 of the Friendly Societies Act. |
| Schedule 5 | Death certificates in connection with payments referred to in section 62 (2) of the Friendly Societies Act. |

SCHEDULE 3

Articles 16 (2), 42 (2),
43 (2), 52 (1) and
Schedule 4.

LIMITATIONS AND OTHER PROVISIONS AFFECTING INSURANCE BY INDUSTRIAL ASSURANCE COMPANY OF LIFE OF A PARENT OR GRANDPARENT

Limitations as to residence

1. Article 16 (1) applies only where the death in question is that of a person who, at the time of the proposal, is ordinarily resident in the United Kingdom or the Isle of Man.

Limitations as to sum insured

2.—(1) In effecting an insurance in exercise of the power conferred by Article 16 (1), an industrial assurance company shall not insure, to be paid to any person on the death of any one of his parents or grandparents, any sum which, either taken alone or when added to any sum or sums for the time being insured to be paid to that person on that death under any other relevant insurance or insurances taken out by him, exceeds £30.

(2) Where an insurance has been effected by an industrial assurance company in exercise of the power conferred by Article 16 (1), then, subject to sub-paragraph (3)—

(a) the company shall not by virtue of or in connection with that insurance pay to any person any sum which exceeds £30 when taken alone; or

- (b) the company shall not by virtue of or in connection with that insurance, pay to the person by whom that insurance was taken out any sum which exceeds £30 when added to any sum or sums paid to him, on the death on which money was thereby insured to be paid, by virtue of or in connection with any other relevant insurance taken out by him; or
 - (c) if any payment has been made on the death in question by virtue of or in connection with that insurance to the person by whom it was taken out and that payment has not been repaid, the company shall not pay to him on that death, by virtue of or in connection with any other relevant insurance taken out by him, any sum which exceeds £30 when added to the sum so paid and not repaid, or when added to it and to any sum or sums paid to him on that death by virtue of or in connection with any other relevant insurance or insurances taken out by him.
- (3) For the purposes of this paragraph, there shall be excluded any sum insured to be paid, or paid,—
- (a) by way of bonus, other than a guaranteed bonus; or
 - (b) by way of repayment of premiums; or
 - (c) under a free paid-up policy which was in force as such on 30th June 1948, or had been applied for or claimed before that date;

and so much of any sum insured to be paid, or paid, as represents—

- (i) any increase in any benefit payable by the company under a contract of assurance made by the company in the course of its industrial assurance business in Northern Ireland where the increase results from the adoption of a scheme prescribed or approved in pursuance of section 6 (3) of the Decimal Currency Act 1969 (elimination of amounts other than a new halfpenny or multiples thereof); or
- (ii) any increase in any sum assured or guaranteed which is effected under regulation 6 or 7 of the Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978 (a) (increase commensurate with increased premium under arrangements made in lieu of tax relief).

Limitations as to alienation

3. Where, under any relevant insurance, money is for the time being insured to be paid to the person by whom the insurance was taken out on the death of a parent or grandparent of his—

- (a) any assignment or charge made by him after 22nd December 1948 of or on all or any of the rights in respect of the insurance conferred on him by the policy or by any provision of this Order, or of any enactment repealed by this Order; and
 - (b) any agreement so made by him to assign or charge all or any of those rights;
- shall, except in the case of a charge or agreement to charge for the purpose only of securing sums paid for keeping on foot or restoring the insurance, be void, and, on any bankruptcy of his, where the order of adjudication was made after 22nd December 1948, none of those rights shall pass to any trustee or other person acting on behalf of his creditors.

Requirements as to death certificates

4. Paragraphs 5 to 9 have effect with regard to the production of certificates of death in connection with the making of payments relevant for the purposes of paragraph 2.

5. An industrial assurance company shall not, by virtue of or in connection with any relevant insurance of money to be paid on the death of a parent or grandparent of the person by whom the insurance was taken out, pay to that person on the death any sum not excluded, for the purposes of paragraph 2, by sub-paragraph (3) of that paragraph, except upon production of a certificate of the death for the purposes of this Schedule stated therein to be issued to the person to whom the payment is made, unless the death occurred outside Northern Ireland.

(a) S.R. 1978/131.

6. On so making payment of any such sum, the industrial assurance company shall cause to be endorsed on the certificate a statement showing—

- (a) the name of the company;
- (b) the amount of any such sum paid; and
- (c) the date of the contract for the insurance;

and, on receiving any repayment of a sum so paid by virtue of or in connection with an insurance effected in exercise of the power conferred by Article 16 (1), the company shall cause to be endorsed on the certificate a statement showing the repayment.

7. Where an industrial assurance company is charged with a contravention of paragraph 2 in respect of the payment by the company of a sum which exceeded the limit of £30 imposed by paragraph 2 (2) (b) or (c) in consequence of the addition as thereby required of another sum paid by another industrial assurance company or by a registered friendly society, or two or more other sums so paid, and which would not have exceeded the limit apart from that addition, it shall be a defence for the company charged to prove that—

- (a) the sum in respect of which the company is charged was paid in accordance with paragraph 5; and
- (b) the certificate produced disclosed no payment by any other industrial assurance company or by a registered friendly society of any sum or sums required by the said paragraph 2 (2) (b) or (c) to be added, or disclosed such payment but only to an amount insufficient to cause the sum in respect of which the company is charged to exceed that limit;

subject, however, in the case of a certificate which is a duplicate, to the provisions of paragraph 9.

8. The provisions of paragraphs 4 and 5 of Schedule 5 to the Friendly Societies Act apply in relation to certificates of death for the purposes of this Schedule and the issue of duplicates thereof.

9. On production to an industrial assurance company of a duplicate which records a requirement for an endorsement made by it to be repeated in accordance with regulations under paragraph 5 of Schedule 5 to the Friendly Societies Act, the company shall cause the duplicate to be endorsed accordingly and paragraph 7 of this Schedule shall not apply in the case of a certificate which is a duplicate on which such a requirement is recorded, unless the duplicate has been endorsed by the company in question.

Interpretation

10. In this Schedule—

“registered friendly society” includes a branch of such a society;

“relevant insurance” means an insurance effected (whether before or after the commencement of this Order) by an industrial assurance company or by a registered friendly society in exercise of any power conferred by—

- (a) Article 16 (1);
- (b) paragraph 1 of Schedule 9;
- (c) any provision of any enactment repealed by this Order corresponding to any of the provisions mentioned in paragraphs (a) and (b);
- (d) paragraph 2 (d) of Schedule 1 to the Friendly Societies Act.

11. References in Article 16 (1) and this Schedule to a payment on a person's death include references to a payment for his funeral expenses.

Article 22.

SCHEDULE 4

MATTERS TO BE SET OUT IN PREMIUM RECEIPT BOOKS

1. The following matters shall be set out in premium receipt books pursuant to Article 22—

(a) as to the following provisions of this Order, of the Friendly Societies Act and of regulations, either those provisions or, as to any of them to which the Commissioner consents to the substitution of a statement which, in his opinion, sufficiently sets out the effect thereof, such a statement—

| | |
|--|--|
| Article 9 (1) to (4) (in the case of collecting societies only). | Obligations as to delivery of policies, and of copies of rules and amendments thereof. |
| Article 21 and regulations made under Article 49 (1) (d) for the purposes of Article 21. | Premium receipt books. |
| Article 27 (2) to (5) | 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. |
| Paragraphs 2, 3, 10 and 11 of Schedule 3 to this Order (in the case of industrial assurance companies only) and sections 62 and 63 (2) and (3) of the Friendly Societies Act (in the case of collecting societies only). | Insurances on the life of parent or grandparent; limit on amount, and prohibition of assignment or charge. |

(b) as to the following provisions of this Order, of the Act of 1896 and of the Friendly Societies Act, a statement which, in the opinion of the Commissioner, sufficiently sets out the effect thereof—

| | |
|---|--|
| Article 15 of, and paragraph 2 of Schedule 9 to, this Order taken together (in the case of industrial assurance companies only) and section 61 (1) to (4) of, and paragraph 4 of Schedule 7 to, the Friendly Societies Act and section 62 of the Act of 1896 taken together (in the case of collecting societies only). | Payments on death of children under 10 years of age. |
| Paragraphs 5 to 9 of Schedule 3 to this Order (in the case of industrial assurance companies only) and Schedule 5 to the Friendly Societies Act (in the case of collecting societies only). | Death certificates in connection with payments referred to in paragraph 2 of Schedule 3 to this Order or, as the case may be, in section 62 of the Friendly Societies Act. |

2. In this Schedule, "the Act of 1896" means the Friendly Societies Act 1896 (a).

(a) 1896 c. 25.

PROVISIONS AS TO VALUATIONS AND RELATED MATTERS

1. The valuation shall be made by an actuary as defined by Article 2 (2) of the Insurance Companies Order.

2. The report containing the abstract of the valuation required by section 34 of the Friendly Societies Act shall be sent by a collecting society to the Commissioner within 12 months after the close of the period to which the valuation relates, and shall contain—

(a) a statement as to how the value of stock exchange securities (if any) included in the balance sheet are arrived at; and

(b) a certificate, signed by the same persons as sign the balance sheet, to the effect that, in their belief, the assets set out in the balance sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

3. Where the balance sheet of a collecting society or an industrial assurance company includes amongst the assets thereof any sums representing—

(a) expenses of organisation or extension; or

(b) the purchase of business or goodwill;

and the amount of the assets, exclusive of such sums (after deducting debts due by the society or company, other than debentures and loans), is less than the amount of the industrial assurance fund or, as the case may be, of the several assurance and insurance funds as shown in that balance sheet, the amount of the industrial assurance fund shown in the valuation balance sheet shall be reduced by the amount of the deficiency or, as the case may be, by a sum bearing such proportion to that deficiency as the amount of the industrial assurance fund shown in the first-mentioned balance sheet bears to the aggregate amount of all the assurance and insurance funds so shown.

4. Where debentures have been issued or loans raised which are charged on any of the assets of the company in which the industrial assurance fund is invested, there shall be inserted in the valuation balance sheet a note giving the particulars of the charge and stating that the result shown by the valuation is subject to the liability under the charge.

5.—(1) Subject to sub-paragraph (2), if the Commissioner is satisfied on any valuation—

(a) that any of the foregoing provisions of this Schedule have not been complied with; or

(b) that the industrial assurance fund as stated in the valuation balance sheet is greater than the value of the assets available for the liabilities of that fund, due regard being had to the other liabilities of the collecting society or industrial assurance company and to the foregoing provisions of this Schedule;

he may reject the valuation and may direct the society or company to make such alteration therein as may be necessary to secure compliance with those provisions.

(2) The collecting society or industrial assurance company may appeal to the High Court against any decision of the Commissioner under this paragraph.

6. The Commissioner may direct any collecting society or industrial assurance company to furnish to him, in addition to such information as the society is required to furnish under section 34 of the Friendly Societies Act or, as the case may be, the company is required to furnish under the Insurance Companies Order, such explanations as he considers necessary in order to satisfy himself whether the valuation complies with the provisions of this Schedule.

7. Where a valuation discloses a deficiency, the Commissioner may, if, after investigation, he is satisfied that the collecting society or industrial assurance company should cease to carry on industrial assurance business,—

- (a) in the case of a collecting society, award that the society be dissolved and its affairs wound up; or
- (b) in the case of an industrial assurance company, present a petition to the High Court for the winding-up of the company.

Articles 30 (1) (ii), (2),
31 (1), 34 and 35 (2) (b).

SCHEDULE 6

RULES FOR VALUING POLICIES AND FOR ASCERTAINING THE AMOUNT OF A FREE PAID-UP POLICY

PART I

RULES FOR VALUING POLICIES

1. The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus added thereto, and the present value of the future net premium.

2. Subject to paragraphs 3 to 5, the net premium is to be such premium as, according to the assumed rate of interest and rate of mortality and the age of the person whose life is assured at his birthday next following the date of the policy, is sufficient to provide for the risk incurred by the collecting society or industrial assurance company in issuing the policy, exclusive of any addition thereon for office expenses and other charges.

3. In the case of a policy, other than a policy for the whole term of life issued before the person whose life is assured attained the age of 10 years, the date of the policy may be assumed to be one year after the actual date, and, if it is so assumed, the term of the policy may be assumed to be one year less than the actual term.

4. In the case of a policy for the whole term of life issued before the person whose life is assured attained the age of 10 years, account shall not be taken of any period for which the policy was in force before the anniversary of the date of issue of the policy next preceding the date on which the age of 11 years was attained.

5. In the case of a substituted policy, the net premium shall be calculated with reference to such sum as, according to the practice of the collecting society or industrial assurance company for the time being, would have been assured by the premium payable, if the person upon whose life the substituted policy is issued had not been assured with the society or company before the issue of that policy.

PART II

RULE FOR ASCERTAINING THE AMOUNT OF A FREE PAID-UP POLICY

6. Subject to Article 35 and Schedule 7, the amount of a free paid-up policy is to be a sum bearing the same proportion to 75% of the value of the policy as the sum of £1 bears to the value of the reversion in the sum of £1, according to the contingency upon which the sum assured under the original policy was payable.

PART III

GENERAL RULES APPLICABLE FOR PURPOSES OF PARTS I AND II

7. Interest is to be assumed at the rate of 4% per annum.

8. The rate of mortality is to be assumed according to the table contained in column 6 of Table G in the Supplement to the 65th Annual Report of the Registrar-General of Births, Deaths and Marriages in England and Wales—Part I.

9. The age of the person whose life is assured shall be obtained by adding to the age attained by him at his birthday next after the date of the issue of the policy, the

duration of the policy in completed years at the date as at which the value of the policy is required to be ascertained.

10. In the case of a policy issued for a term other than the whole term of life, the remaining term at the date at which the value of the policy is required to be ascertained shall be obtained by deducting from the original term of the policy the duration of the policy in completed years at that date.

PART IV

MODIFICATIONS OF THIS SCHEDULE IN RELATION TO CERTAIN POLICIES

11. In its application to the valuation of a policy of which the sum assured or guaranteed has been increased under regulation 6 or 7 of the Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978, this Schedule shall have effect subject to the following modifications—

- (a) the value of the policy shall be the aggregate of the value of the sum assured or guaranteed by the policy immediately before the increase and of the value of the increase in the sum assured or guaranteed;
- (b) for the purpose of the valuation of the increase in the sum assured or guaranteed, paragraphs 1 and 2 shall have effect as if the increase had been assured by a policy effected on the next anniversary date of the policy after 6th April 1979 for the then unexpired term of the policy.

SCHEDULE 7

Article 35 (2) (a), (3),
Schedule 6.

SPECIAL RULES AS TO CERTAIN FREE PAID-UP POLICIES

1. Subject to paragraph 2, the free paid-up policy of a registered friendly society or an industrial assurance company shall assure payment, on the events on which the sums assured by the surrendered policy were payable, of sums bearing the same proportion to those sums (including any addition by way of bonus) as the amount of the premiums actually paid under the surrendered policy bears to the amount of the premiums which would have been payable under the surrendered policy had the full number of premiums become payable thereunder.

2. Where any sum has been paid by the registered friendly society or industrial assurance company under the surrendered policy, before the surrender of the policy, the sums assured by the free paid-up policy shall be computed on such basis as may be approved by the Commissioner.

3. Where the surrendered policy provided for payment of a sum by way of return of premium on any event, the free paid-up policy shall provide that, on that event, such part of the premiums actually paid under the surrendered policy shall be repaid as would have been repayable on that event if the surrendered policy had remained in force.

4. In paragraphs 1 and 3 the words "premiums actually paid", in their application to a policy in respect of which under the prescribed scheme (as defined by Article 29 (3)) or an approved scheme (as so defined) payment of any premium due has been discharged by payment of 82½% of that premium, shall include premiums in respect of which such payment has been made.

5. In its application to a policy of which the sum assured or guaranteed has been increased under regulation 6 or 7 of the Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978 ("the 1978 Regulations"), paragraph 1 shall have effect subject to the following modifications:—

(a) For the purpose of calculating the amount assured by the free paid-up policy the sum assured by the surrendered policy shall be divided into the original sum assured and the increase in the sum assured, any addition to the sum assured by the surrendered policy by way of bonus on or after 6th April 1979 to be allocated proportionately between and to be treated as comprised in the original sum assured and the increase in the sum assured respectively.

(b) The amount assured by the free paid-up policy shall consist of the aggregate of proportions of the original sum assured and of the increase in the sum assured calculated as follows:—

- (i) the proportion of the original sum assured shall be the same proportion as the amount of the original premiums actually paid bears to the amount of the original premiums which would have been payable under the surrendered policy had the full number of original premiums become payable thereunder;
- (ii) the proportion of the increase in the sum assured shall be the same proportion as the amount of the increase in premiums actually paid bears to the amount of the increase in premiums which would have been payable under the surrendered policy had the full number of increases in premium become payable thereunder.

6. For the purpose of this paragraph and of paragraph 5 (b) (i):

- “the original premiums” means the premiums of the amount payable under the policy before the increase in premium was effected under regulation 5 (1) or 7 (2) of the 1978 Regulations, including, in respect of premiums paid, or which would have been payable, after 6th April 1979, payments of that amount included in premiums paid, or which would have been payable, after that date;
- “the original sum assured” means the sum (including any addition by way of bonus) assured or guaranteed under the surrendered policy on 6th April 1979 before the increase under regulation 6 or 7 of the 1978 Regulations took effect, together with any addition made thereto in respect of the due proportion of any bonus added on or after 6th April 1979;
- “the amount of the increase in the sum assured” means the sum assured by the surrendered policy in so far as it exceeds the original sum assured as at 6th April 1979, together with any addition made thereto in respect of the due proportion of any bonus added on or after 6th April 1979.

CONSEQUENTIAL AMENDMENTS

| Enactment amended | Amendment |
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| Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948 (c. 22). | <p>In section 7, in subsection (1) for the words from the beginning to "corresponding provision" substitute—</p> <p>"If provision for the payment of death grants corresponding to the provision therefor made by or under the enactments relating to social security is made by or under the law of a country or place outside Northern Ireland, the Secretary of State may by order provide for extending the application of section 6 (1) of this Act, subject to any modifications necessitated by differences between any provision made by or under those enactments and the corresponding provision,"</p> <p>and in subsection (2) for "The Governor of Northern Ireland" substitute "The Secretary of State", for "Order in Council" substitute "order" and for "each House of Parliament" and "either House of Parliament" substitute (in each case) "the Assembly".</p> |
| Adoption Act (Northern Ireland) 1967 (c. 35). | <p>In section 21, for "section 7 of the Friendly Societies Act (Northern Ireland) 1957" substitute "Article 2 (4) and (5) of the Industrial Assurance (Northern Ireland) Order 1979".</p> <p>In section 38 (6) (b), for "section 7 (2) of the Friendly Societies Act (Northern Ireland) 1957" substitute "Article 2 (5) of the Industrial Assurance (Northern Ireland) Order 1979".</p> |
| Adoption (Hague Convention) Act (Northern Ireland) 1969 (c. 22). | <p>In section 4 (2), for "section 7 (2) of the Friendly Societies Act (Northern Ireland) 1957" substitute "Article 2 (5) of the Industrial Assurance (Northern Ireland) Order 1979".</p> |
| Decimal Currency Act 1969 (c. 19). | <p>In section 6 (11) (b) for sub-paragraph (iii) substitute—</p> <p>"(iii) for the reference to section 1 of the Industrial Assurance Act 1923 there shall be substituted a reference to Articles 2 (2) and 3 (1) of the Industrial Assurance (Northern Ireland) Order 1979;"</p> |
| Friendly Societies Act (Northern Ireland) 1970 (c. 31). | <p>In section 61 (4), for "Order in Council under section 7 of the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948" substitute "order under Article 52 of the Industrial Assurance (Northern Ireland) Order 1979".</p> <p>In section 62 (4), after paragraph (c), omit "or" and insert—</p> <p>"(cc) Article 15 of, or paragraph 1 of Schedule 9 to, the Industrial Assurance (Northern Ireland) Order 1979; or".</p> |

| Enactment amended | Amendment |
|--|---|
| Friendly Societies Act (Northern Ireland) 1970 (c. 31).— <i>Cont.</i> | <p>In section 63 (2), for the words from “by section 24” to “endowment policies)” substitute “or by Article 30 (provisions as to forfeited policies), or Article 35 (rights of owners of certain endowment policies), of the Industrial Assurance (Northern Ireland) Order 1979”.</p> <p>In section 92 (2) for “section 39 (5) of the Industrial Assurance Act (Northern Ireland) 1924” substitute “Article 46 (2) of the Industrial Assurance (Northern Ireland) Order 1979”.</p> <p>In section 103 (1), in the definition of “collecting society”, for “section 1 (1A) of the Industrial Assurance Act (Northern Ireland) 1924” substitute “Article 2 (2) of the Industrial Assurance (Northern Ireland) Order 1979”.</p> <p>In Schedule 1, in paragraph 2 (<i>d</i>), for “Order in Council under section 7 of the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948” substitute “order under Article 52 of the Industrial Assurance (Northern Ireland) Order 1979”.</p> <p>In Schedule 5, in paragraphs 4 and 5, for “Schedule 1 to the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948”, wherever those words occur, substitute “Schedule 3 to the Industrial Assurance (Northern Ireland) Order 1979”.</p> <p>In Schedule 7 for paragraph 5 substitute— “5. References in paragraphs 1, 2 and 4 to a person being ordinarily resident outside the United Kingdom and the Isle of Man are subject to restriction by an order under Article 52 of the Industrial Assurance (Northern Ireland) Order 1979”.</p> |
| Insurance Companies (Northern Ireland) Order 1976 (S.I. 1976/59 (N.I. 3)). | In Article 2 (2), in the definitions of “industrial assurance business” and “industrial assurance company”, and in Article 3 (1), for “section 1 of the Industrial Assurance Act (Northern Ireland) 1924” substitute “Articles 2 (2) and 3 (1) of the Industrial Assurance (Northern Ireland) Order 1979”. |
| Births and Deaths Registration (Northern Ireland) Order 1976 (S.I. 1976/1041 (N.I. 14)). | In Schedule 1 omit the entry relating to the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948 and at the end insert— “The Industrial Assurance (Northern Ireland) Order 1979 (S.I. 1979/1574 (N.I. 13))”. |
| Companies (Northern Ireland) Order 1978 (S.I. 1978/1042 (N.I. 12)). | In Article 109 (3) (<i>a</i>) for “section 1 (2) of the Industrial Assurance Act (Northern Ireland) 1924” substitute “Article 3 (1) of the Industrial Assurance (Northern Ireland) Order 1979”. |

SAVINGS AND TRANSITIONAL PROVISIONS

*Savings for policies on lives of persons ordinarily resident outside the
United Kingdom and the Isle of Man or effected before certain dates*

1.—(1) Notwithstanding the repeal by this Order of section 3 of the Act of 1924, section 1 of the Act of 1929 and section 1 of the Act of 1948—

- (a) a collecting society and an industrial assurance company shall continue to have power to insure money to be paid for the funeral expenses of a parent, child, grandparent, grandchild, brother or sister who at the time of the proposal is ordinarily resident outside the United Kingdom and the Isle of Man; and
- (b) a registered friendly society and an industrial assurance company shall continue to have power to insure money to be paid on the duration for a specified period of the life of a parent, child, grandparent, grandchild, brother or sister so ordinarily resident, either with or without provision for the payment of money in the event of the death of the person whose life is the subject of the policy, but subject to the limitations that—
 - (i) in the case of a policy issued after 10th July 1929, the amount payable or paid on death must not exceed a reasonable amount for funeral expenses; and
 - (ii) no payment shall be made on the death of a child under 10 years of age except, in the case of a registered friendly society, in accordance with the provisions preserved by the Friendly Societies Act, Schedule 7, paragraph 4, or, in the case of an industrial assurance company, in accordance with paragraph 2 (6) of this Schedule.

(2) Nothing in this Order prejudices any insurance effected under section 3 of the Act of 1924 or section 1 of the Act of 1929 before 5th July 1949, or any rights or liabilities in respect of any such insurance.

(3) Where a collecting society or an industrial assurance company—

(a) issues a policy under sub-paragraph (1) (a), or

(b) issues, under sub-paragraph (1) (b), a policy under which the premiums are payable at intervals of less than two months,

the issuing of the policy shall be treated as part of the industrial assurance business of the society or company.

2.—(1) Notwithstanding the repeal by this Order of section 4 of the Act of 1924 and the fact that the repeals made by this Order in subsection (2) of section 6 of the Act of 1948 cause the proviso to that subsection to cease to apply to industrial assurance companies, the provisions set out in this paragraph shall continue to apply to insurances effected by an industrial assurance company on the life of a person who, at the time of the proposal, is ordinarily resident outside the United Kingdom and the Isle of Man, including assurances the premiums in respect of which are payable at intervals of two months or more; but this paragraph does not apply where the person insuring has an interest in the life of the person insured.

(2) An industrial assurance company shall not insure or pay on the death of a child under the ages hereinafter specified any sum of money which exceeds or which, when added to any amount payable on the death of that child by any other industrial assurance company or by any friendly society or branch, whether registered or not registered, or by any trade union, exceeds the amounts hereinafter specified, that is to say,—

(a) £6 in the case of a child under three years of age;

(b) £10 in the case of a child under six years of age;

(c) £15 in the case of a child under 10 years of age.

(3) Where an application is made for a certificate of the death of a child for the purpose of obtaining a sum of money from an industrial assurance company in respect of such an insurance—

- (a) the name of the company and the sum sought to be obtained from it shall be stated to the registrar of deaths;
 - (b) the registrar of deaths shall write on or at the foot of the certificate the words "to be produced to the . . . (*naming the industrial assurance company*) said to be liable for payment of the sum of . . . (*stating the amount sought to be obtained*)";
 - (c) the certificate, together with all other certificates of the same death, shall be numbered in consecutive order.
- (4) A registrar of deaths shall not give any one or more certificates of death for the payment in the whole of any sum of money exceeding—
- (a) £6 on the death of a child under three years of age; or
 - (b) £10 on the death of a child under six years of age; or
 - (c) £15 on the death of a child under 10 years of age.
- (5) A registrar of deaths shall not give any such certificate unless the cause of death has been previously entered in the register of deaths on the certificate of a coroner or of a registered medical practitioner who attended the deceased child during its last illness, or except upon the production of a certificate of the probable cause of death under the hand of a registered medical practitioner, or of other satisfactory evidence thereof.
- (6) An industrial assurance company shall not pay any sum on the death of a child under 10 years of age except upon production by the person claiming payment of a certificate of death issued by the registrar of deaths, or other person having the care of the register of deaths, containing the particulars mentioned in sub-paragraph (3).
- (7) An industrial assurance company to which there is produced a certificate of the death of a child which does not purport to be the first shall, before paying any money thereon, inquire whether any and what sums of money have been paid on the same death by any other industrial assurance company, or any friendly society or branch.

3. For the purpose of calculating the maximum sum which may be insured or paid under paragraph 1 (1) (b) or under paragraph 2 (2), no account shall be taken of any repayment of the whole or any part of the premium paid in respect of any endowment policy, and paragraphs 1 (1) (b) (ii) and 2 (6) shall not apply as respects any such payment.

4. A policy effected before 3rd December 1909 with a collecting society or an industrial assurance company shall not be deemed void by reason only that—

- (a) the person effecting the policy had not, at the time the policy was effected, an insurable interest in the life of the person upon whose life the policy is taken out; or
 - (b) the name of the person interested or for whose benefit or on whose account the policy was effected, was not inserted in the policy; or
 - (c) the assurance was not authorised by the Acts relating to friendly societies;
- if the policy was effected by or on account of a person who had at the time a bona fide expectation that he would incur expenses in connection with the death or funeral of a person whose life is insured, and if the sum assured is not unreasonable for the purpose of covering those expenses, and any such policy shall enure for the benefit of the person for whose benefit it was effected, or his assigns.

5. Any endowment policy issued before 1st January 1925, which would have been in force on that date if the Act of 1929 had been in operation on and from the date on which the policy was issued, shall be deemed, for the purposes of this Order, to have been in force on 1st January 1925 and, in the case of a policy of the description mentioned in paragraph 1 (1) (b), to have been issued in accordance with that paragraph, and, as respects any endowment policy in force on, or issued since, that date, Article 35 and paragraph 1 of this Schedule shall be deemed to have been in operation on and from the date on which the policy was issued.

Transitional provisions

6. Where a period of time specified in an enactment repealed by this Order is current at the commencement of this Order, this Order shall have effect as if the corresponding provision thereof had been in force when that period began to run.

7. Any certificate of exemption issued under section 11 of the Collecting Societies and Industrial Assurance Companies Act 1896 (a) or the corresponding provision of any Act repealed by that Act and in force immediately before the commencement of this Order shall continue in force until revoked by the Commissioner and have effect as if it were a certificate under Article 12 exempting the society from all the provisions of this Order.

8. The provisions of Part VI of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951 (b) (as applied to Northern Ireland by any Order in Council under section 65 of that Act), and of regulations made under section 57 of that Act (as so applied), shall have effect in relation to this Order as they had in relation to the corresponding provisions of the enactments repealed by this Order.

9.—(1) The inclusion in this Order of any express amendment or saving shall not be taken as prejudicing the operation of sections 28 and 29 of the Interpretation Act (Northern Ireland) 1954 (c) (which relate to the effect of repeals and substituting provisions).

(2) For the purposes of this Order, the provisions of section 29 (1) (construction of references to the superseded enactment) and (3) (a) (statutory instruments or documents made, and things done, under the superseded enactment to have effect as if made or done under the superseding enactment) of that Act shall apply to all instruments and documents as they apply to statutory instruments and statutory documents within the meaning of that Act.

Interpretation

10. In this Schedule—

“the Act of 1924” means the Industrial Assurance Act (Northern Ireland) 1924 (d);

“the Act of 1929” means the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1929 (e);

“the Act of 1948” means the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948 (f).

(a) 1896 c. 26. (b) 1951 c. 65.

(c) 1954 c. 33 (N.I.). (d) 1924 c. 21 (N.I.). (e) 1929 c. 8 (N.I.).

(f) 1948 c. 22 (N.I.).

REPEALS

| Chapter or Number | Title or Short Title | Extent of Repeal |
|-----------------------|--|---|
| 14 & 15 Geo. 5 c. 21. | Industrial Assurance Act (Northern Ireland) 1924. | The whole Act. |
| 16 & 17 Geo. 5 c. 21. | Industrial Assurance (Juvenile Societies) Act (Northern Ireland) 1926. | The whole Act. |
| 20 Geo. 5 c. 8. | Industrial Assurance and Friendly Societies Act (Northern Ireland) 1929. | The whole Act. |
| 1948 c. 22. | Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948. | Sections 1, 2 and 4. In section 6, in subsection (1) the words "an industrial assurance company, or", and in subsection (2) the words " , by virtue of subsection (1) of section 4 of the Act of 1924, to industrial assurance companies, and" and "and subsection (4) of section 4 of the Act of 1924". |
| | | Sections 8 to 13. Section 16 (2) and (3). In section 22, in subsection (1) paragraphs (a), (b), (c), (e) and (f), and subsection (2). Section 23 (2) and (5). Schedules 1, 2 and 3. |
| 1957 c. 1. | Friendly Societies Act (Northern Ireland) 1957. | Sections 6 and 7. |
| 1958 c. 19. | Industrial Assurance and Friendly Societies (Amendment) Act (Northern Ireland) 1958. | The whole Act. |
| 1968 c. 6. | Insurance Companies Act (Northern Ireland) 1968. | Sections 47 to 50. Schedule 5. |
| 1969 c. 19. | Decimal Currency Act 1969. | In section 7, in subsection (2) the words "or company" and "or industrial assurance company" and subsections (5) and (6) (b). |
| 1970 c. 31. | Friendly Societies Act (Northern Ireland) 1970. | In section 62 (4) the word "or" following paragraph (c). Section 77 (4). In Schedule 8, the entries relating to the Industrial Assurance Act (Northern Ireland) 1924 and to the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948. |
| 1973 c. 38. | Social Security Act 1973. | In Schedule 27, paragraph 101. |

| Chapter or Number | Title or Short Title | Extent of Repeal |
|-------------------------------------|--|---|
| S.I. 1976 No. 59 (N.I. 3). | Insurance Companies (Northern Ireland) Order 1976. | Article 83 (10). |
| S.I. 1976 No. 1041 (N.I. 14). | Births and Deaths Registration (Northern Ireland) Order 1976. | In Schedule 1 the entry relating to the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948. |
| S.R. 1978/131. | Industrial Assurance (Life As- surance Premium Relief) Re- gulations (Northern Ireland) 1978. | In Schedule 2 paragraphs 1 to 6. |

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order consolidates the Industrial Assurance Acts (Northern Ireland) 1924 to 1958 and related enactments.