



# Standard Life Assurance Company Act 1991

## 1991 CHAPTER iii

### 1 Short title

This Act may be cited as the Standard Life Assurance Company Act 1991.

### 2 Interpretation

In this Act, unless the context otherwise requires—

“Act of 1925” means the Standard Life Assurance Company’s Act 1925;

“appointed day” means such day as shall be appointed under section 3 of this Act;

“assignation”, in relation to England and Wales, means an assignment;

“assurance” means a contract entered into by the Company the object of which is within any class or classes of insurance business specified in Schedule 1 or Schedule 2 to the Insurance Companies Act 1982 or any other class or description of insurance, pension, indemnity, annuity or guarantee business;

“Company” means The Standard Life Assurance Company;

“directors” means the directors of the Company for the time being;

“existing” means existing immediately before the appointed day;

“member” means a member of the Company as defined from time to time by the regulations;

“policy” means the instrument evidencing an assurance;

“regulations” means the regulations of the Company for the time being in force in accordance with section 14 of this Act;

“special resolution” has the meaning assigned to that expression by section 15 of this Act;

“territory” means and includes every country, state or place which has a separate legal jurisdiction.

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### **3 Appointed day**

- (1) The directors of the Company shall appoint a day to be the appointed day for the purposes of this Act, and this Act (except sections 1 to 3) shall come into force on the appointed day.
- (2) The Company shall publish in the London Gazette and the Edinburgh Gazette notice of the day appointed under this section.
- (3) The publication of notice under subsection (2) above shall be conclusive evidence of the determination of the appointed day, and a photostatic or other reproduction of a page or part of a page of the London Gazette or the Edinburgh Gazette containing the notice certified by the secretary of the Company shall be sufficient evidence of its publication.

### **4 Repeals**

- (1) Subject to the provisions of this Act, on the appointed day the Standard Life Assurance Company Acts 1925 to 1980, with the exception of section 2 and sections 12 to 16 of the Act of 1925, shall be repealed.
- (2) Section 2 and sections 12 to 16 of the Act of 1925 shall be repealed upon cancellation of the perpetual stock of the Company under subsection (4) of section 16 (Redemption of stock) of this Act.

### **5 Savings for incorporation of Company, existing policies, actions, etc**

Notwithstanding the provisions of section 4 above, on and from the appointed day—

- (1) the Company shall continue to be incorporated by its present name of “The Standard Life Assurance Company”:

Provided that nothing in this paragraph shall prevent the Company from changing its name in the manner provided by section 7 (Name of Company) of this Act;

- (2) subject to the provisions of this Act and to the regulations, the existing members of the Company shall continue to be members of the Company;
- (3) the Company and any trustees on its behalf shall continue to hold and be entitled to enjoy and recover all property of every description, heritable or moveable, real or personal, which immediately before the appointed day belonged to or was vested in the Company or such trustees on its behalf or to which the Company or such trustees on its behalf was or were then entitled;
- (4) all assurances, deeds, mortgages, bonds, contracts, agreements, securities, awards and other acts and things made and entered into, executed or done by or with the Company or any persons on its behalf and in force immediately before the appointed day shall be as valid and effectual to all intents in favour of, against or with reference to the Company as if this Act had not been passed;
- (5) all policies, bonds and other obligations and generally all debts and liabilities of whatsoever kind made, granted, issued, incurred or undertaken by and valid and subsisting against the Company immediately before the appointed day shall be valid and subsisting against the Company as if the same had been made, granted, issued, incurred or undertaken by the Company under the authority of this Act; and subject to the provisions of this Act and to the regulations, all existing policies shall entitle

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the holders or other persons in right thereof to the same security, rights, benefits and remedies secured by the terms of such policies as they would have had if this Act had not been passed;

- (6) any action, arbitration or other proceeding or cause of proceeding pending or existing immediately before the appointed day by, with, against or in favour of the Company or any person or persons on its behalf may be continued or commenced or carried on by, with, against or in favour of the Company as if this Act had not been passed;
- (7) all books and documents of or concerning the Company which if this Act had not been passed would have been admitted in evidence shall be admitted in evidence as if this Act had not been passed.

## **6 Existing directors, officers, etc., to continue in office**

- (1) The existing directors of the Company shall, subject to the provisions of this Act and to the regulations, continue to be the directors of the Company.
- (2) All existing officers, employees, agents and others in the employment of the Company and the existing auditors of the Company shall, subject to the provisions of this Act and to the regulations, continue to hold their respective offices and employments under the Company with the like rights and privileges and subject to the like conditions, obligations and penalties, the same powers of removal and the same rules and restrictions as attached or related to those offices and employments immediately before the appointed day.

## **7 Name of Company**

- (1) The Company may with the sanction of a special resolution and with the consent of the Secretary of State for Trade and Industry change its name but no such change of name shall be effective until it is advertised in the Edinburgh Gazette and the London Gazette.
- (2) No change of name by the Company shall affect any rights or obligations of the Company or render defective any legal proceedings by or against it; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.
- (3) Notwithstanding any other provisions of this Act the Company shall have power to carry on business in Canada in the name and designation of either “The Standard Life Assurance Company” or “Compagnie d'assurance Standard Life” or in both of the said names and designations.
- (4) Any policy, deed or other writing relating in whole or in part to the Company’s business in Canada to which the Company is a party shall be equally binding whether the Company contracts in the name and designation of “The Standard Life Assurance Company” or of “Compagnie d'assurance Standard Life” or in both of the said names and designations.
- (5) Any action, suit, reference, arbitration or other proceeding by or against the Company in connection with the Company’s business in Canada shall be equally enforceable by or against the Company whether raised by or against the Company in the name and designation of “The Standard Life Assurance Company” or of “Compagnie d'assurance Standard Life” or in both of the said names and designations.

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- (6) Nothing in subsections (3) to (5) of this section shall prevent the Company from changing its name in the manner provided by subsection (1) of this section; and the Company may with the sanction of a special resolution change the name of the Company in French, to another name in French. The provisions of subsection (2) of this section shall apply to any change of name of the Company in French in like manner as it applies to a change of name under subsection (1) of this section.
- (7) The provisions of subsection (3) of this section are without prejudice to the Company's power to carry on business in any territory under a name which does not consist of its corporate name.

## **8 Head office, etc**

The head office of the Company shall be in Scotland or such other part of the United Kingdom as shall be determined by the directors. The directors may designate a local head office in respect of any territory outside that in which the head office is for the time being situated.

## **9 No policy deemed to be effected until payment of premium**

No person effecting any policy with the Company shall, unless otherwise expressly agreed in writing between the Company and such person, be considered as assured by the Company until the single or first premium or consideration due under such policy has been paid, notwithstanding that the policy may have been executed by the Company.

## **10 Policies to be liable for claims of Company against members**

All monies due or payable under any policy to any member or other person, together with the policy itself, shall be subject to, and charged with, and the same shall be deemed to be assigned and are hereby declared to belong to the Company in security of, any indebtedness of such member or other person to the Company and in security of the performance and discharge of all obligations incurred by such member or other person to the Company, and for the purpose of enforcing or satisfying such security the directors may sell, surrender or otherwise dispose of the same as and when they shall think fit; but whenever an assignation in favour of a third party has been intimated to the Company no debt subsequently contracted to the Company by the member or other person granting such assignation shall compete with the same.

## **11 Execution of assignations, etc., of policies**

All assignations, discharges and other documents relating to any policy shall be deemed to be validly and sufficiently executed if executed according to the mode usual in Scotland or in England and Wales or in the territory where they are executed.

## **12 Effect of assignation to Company of its own policies**

No assignation to the Company, whether dated before, on or after the appointed day, by way of security for money borrowed, of any policy granted by the Company shall be deemed to extinguish any obligation of the Company for payment of the sums assured under such policy but the said policy and any such assignation thereof shall during

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the periods for which they are respectively granted have according to their respective terms full force and effect.

### 13 Liability of members

No member, whether becoming the same before, on or after the appointed day, shall, as such, be liable for any debts due by the Company whether by virtue of any policy issued by the Company or otherwise and all creditors and other persons having claims against the Company shall be entitled to make such claims effectual only against the appropriate funds of the Company and shall not be entitled to claim against any individual member as such in respect of any debts due by the Company nor shall any member be liable to meet any call by the Company or the directors or liquidator of the Company for any sum of money in addition to the contributions payable by such member under the policy forming the basis of his membership of the Company except in pursuance of any agreement with such member.

### 14 Regulations of Company

- (1) On the appointed day the regulations shall be as set forth in the Schedule to this Act.
- (2) The Company may at any time by special resolution repeal or alter the regulations or add to or modify the same, and any alteration, addition or modification so made shall be as valid as if originally contained in the regulations and be subject in like manner to alteration by special resolution from time to time.
- (3) The regulations shall define the objects and powers of the Company and the manner in which they may be altered, extended or modified.

### 15 Special resolution

For the purposes of this Act and of the regulations a special resolution is a resolution of the Company passed by a majority of not less than three-fourths of the votes cast at a general meeting of which not less than 21 days' notice, specifying the intention to propose the resolution as a special resolution, shall have been duly given in the manner prescribed in the regulations.

### 16 Redemption of stock

- (1) On such day, falling on or after the appointed day, as the directors of the Company shall appoint for the purposes of this section (hereinafter referred to as "the redemption date"), the Company shall redeem all perpetual stock of the Company created by, and issued under the Act of 1925 not then held by the Company at a price calculated in the manner specified in subsection (2) of this section together with all interest that shall have then accrued thereon. The Company shall give the holders of the stock not less than 21 days' notice in writing stating the redemption date.
- (2) The said redemption price shall be

$$£\left(\frac{5 \times P}{3.5} + 2\right)$$

per £100 of nominal amount of stock (and proportionately for any lesser amount), where P is the lower of the two prices shown in the quotation for 3% War Loan in the Stock Exchange Daily Official List for the date falling one month prior to the

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redemption date (hereinafter referred to as “the reference date”) plus one-half of the difference between these two figures; provided that if the London Stock Exchange is closed on the reference date, P shall be ascertained by reference to the earliest subsequent date on which it is open.

- (3) The redemption monies payable in respect of any stock under this section may be paid by cheque or warrant sent through the post to the registered address of the holder of such stock or in the case of joint holders to the registered address of that one of the joint holders who is first named as such in the record of stockholders or to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and payment of the cheque or warrant shall be a payment and satisfaction of the redemption monies represented thereby.
- (4) All of the stock redeemed under this section, and all of the stock held by the Company on the redemption date, shall be cancelled and the Company shall not be entitled to re-issue the same.

## **17 Ranking of claims under policies in winding up**

- (1) In the event of the Company being wound up, policy holders shall be admitted as creditors of the Company and their rights in respect of their policies shall rank equally with the other unsecured debts of the Company in such winding up.
- (2) The provisions of subsection (1) above shall be subject to the provisions of subsection (1) of section 21 (General Acts to apply) of this Act and in particular to any provision made by or under any enactment—
  - (a) requiring the assets of the Company which are available for meeting the liabilities of the Company attributable to business of different classes to be applied in discharge of those liabilities as though those assets and those liabilities were the assets and liabilities of a separate company; or
  - (b) regarding the priority of ranking of preferential debts in a winding up;and shall be subject to the express terms of any policy.
- (3) Nothing in subsection (1) above shall preclude any debts of the Company from time to time being subordinated or postponed in right of payment to claims of unsecured and unsubordinated creditors.

## **18 Surplus assets on winding up**

If the Company shall be wound up any surplus assets shall be distributed among the members holding (or other persons in right of) policies entitled to participate in the profits of the Company in the same manner and proportions as if the surplus had been declared to be a distributable surplus in accordance with the regulations relating to the distribution of profits immediately before the commencement of the winding up:

Provided that if the whole or any part of such surplus is attributable to any separate fund established in accordance with the regulations, this section shall apply as if the surplus or part thereof had been declared to be distributable in relation to the separate fund in question.

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**19 Service of writs and notices on Company**

Any summons or notice or any writ or other proceedings requiring to be served upon the Company may be served in the manner prescribed in the regulations (but without prejudice to any other mode of service for the time being permitted or required by law).

**20 Companies Clauses Acts not to apply**

The Companies Clauses Consolidation (Scotland) Act 1845 shall not apply to the Company or its undertaking.

**21 General Acts to apply**

- (1) Nothing in this Act shall be deemed to exempt the Company from the provisions of the Insurance Companies Act 1982 or of any existing or future general Act affecting insurance companies formed previously to the passing thereof.
- (2) Notwithstanding subsections (1) and (2) of section 14 of this Act the provisions of the Companies Act 1985 applicable to the Company in accordance with section 718 of that Act shall apply to the Company.