



Industrial Assurance Act 1923

1923 CHAPTER 8

Rights of Owners of Policies

24 Provisions as to forfeited policies

- (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—
- (a) is a policy for the whole term of life or for a term of fifty years or upwards, the person whose life is assured under which is a person who is at the time of such default over fifteen years of age, and upon which not less than five years' premiums have been paid; or
 - (b) is a policy for a term of twenty-five years or upwards, but less than fifty years, upon which not less than five years' premiums have been paid; or
 - (c) is a policy for a term of less than twenty-five years upon which not less than three years' premiums have been paid;

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 hereinafter mentioned 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 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 manner hereinafter provided.
- (2) The amount of a free paid-up policy so issued as aforesaid shall not be less than such as may be determined in accordance with the rules contained in the Fourth Schedule to this Act, and shall be ascertained at the date when the premium following the last premium paid became due:

Status: This is the original version (as it was originally enacted).

Provided that 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.

- (3) In every premium receipt book issued after the commencement of this Act there shall be printed a notice stating that in the event of the forfeiture, after the expiration of five years from the passing of this Act, of any policy of industrial assurance by reason of default in the payment of premiums thereunder, the owner of the policy shall, if the policy has been in force a sufficient period as provided by this section, be entitled to a free paid-up policy or, if the conditions mentioned in paragraph (ii) of subsection (1) of this section are fulfilled, to the surrender value of his policy, and that upon application 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 it shall be the duty of the society or company to supply such information.
- (4) Where the rules of a 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 section, nothing in this section shall prevent the owner of the policy from claiming under those rules Or conditions instead of under this section.
- (5) This section shall not apply in the case of a forfeiture occurring before the expiration of five years after the passing of this Act.