



Industrial Assurance and Friendly Societies Act 1929

1929 CHAPTER 28

An Act to permit the issue by Friendly Societies and Industrial Assurance Companies of policies of assurance on the duration of certain lives for a specified period, to validate certain endowment policies issued by such societies and companies, to exclude repayments of premiums under endowment policies from the computation of the maximum sums which may be paid on death by such societies and companies, and to make provision as to the rights of owners of certain endowment policies upon the surrender thereof. [10th May 1929]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Extension of purposes for which policies may be issued.

- (1) Amongst the purposes for which registered friendly societies and industrial assurance companies may issue policies of assurance, there shall be included insuring money to be paid to the member or person assured on the duration for a specified period of the life of his parent, child, grand-parent, grandchild, brother or sister, either with or without provision for the payment of money in the event of the death of any such person before the expiration of the period:

Provided that no such society or company shall insure or pay on the death of any person under such a policy as aforesaid, issued after the commencement of this Act, any sum of money exceeding a reasonable amount for funeral expenses.

- (2) The issuing of such policies by a collecting society or an industrial assurance company shall, unless the premiums in respect thereof are payable at intervals of two months or more, be treated as part of the industrial assurance business of the society or company.

- (3) In relation to such policies, subsection (2) of section four of the Industrial Assurance Act, 1923 (which makes provision as to the persons to whom payments may be made on the death of a child under ten years of age), shall, in lieu of section sixty-three of the Friendly Societies Act, 1896, apply to all registered friendly societies as it applies to collecting societies.

2 Provisions as to repayment of premiums.

For the purpose of calculating the maximum sum which may be insured or paid under the last foregoing section or under section sixty-two of the Friendly Societies Act, 1896, no account shall be taken of any repayment of the whole or any part of the premiums paid in respect of any endowment policy, and sections sixty-three to sixty-six of that Act and subsection (2) of section four of the Industrial Assurance Act, 1923, shall not apply as respects any such repayment.

3 Rights of owners of certain endowment policies.

- (1) Where under any policy to which this section 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 or, if no premium has been paid since the date of the commencement of this Act, within one year from that date, to surrender the policy and to claim either—

- (a) a free paid-up policy in conformity with the rules contained in the Schedule to this Act; or
- (b) payment of a surrender value equal to ninety per cent. of the value of the sum or sums payable under such a free paid-up policy as aforesaid, calculated in accordance with the last four rules contained in the Fourth Schedule to the Industrial Assurance Act, 1923,

and if any society or company fails to comply with any claim made in accordance with the provisions of this subsection, then, without prejudice to any other liability, the society or company shall, in the case of a friendly society not being "a collecting society, be guilty of an offence under the Friendly Societies Act, 1896, and, in the case of a collecting society or industrial assurance company, be guilty of an offence under the Industrial Assurance Act, 1923.

- (2) This section applies to any policy issued, or deemed under this Act to have been issued, in accordance with the provisions of section one of this Act and to any other endowment policy issued on the life of a child under ten years of age, being in either case a policy in force at some time after the thirty-first day of December, nineteen hundred and twenty-three.
- (3) Every policy to which this section applies and every premium receipt book in respect of such a policy, being a policy or book issued after the thirtieth day of September, nineteen hundred and twenty-nine, by a collecting society or an industrial assurance company, shall set out the provisions of this section, and of the Schedule to this Act, printed in distinctive type, or, if the Industrial Assurance Commissioner consents, a statement in lieu thereof which, in the opinion of the Commissioner, sufficiently sets forth the effect of those provisions; and no registered friendly society shall, after the thirtieth day of September nineteen hundred and thirty, issue any policy to which this section applies unless the rules of the society contain a rule widen, in the opinion of the Registrar of Friendly Societies, sufficiently sets forth the effect of the said provisions.

- (4) If any such policy or premium receipt book as aforesaid does not comply with the provisions of the last foregoing subsection, or if any policy is issued in contravention of the said provisions, the society or company effecting the insurance shall in the case of a friendly society, not being a collecting society, be guilty of an offence under the Friendly Societies Act, 1896, and in the case of a collecting society or industrial assurance company, be guilty of an offence under the Industrial Assurance Act, 1923.
- (5) Every collecting society and industrial assurance company shall cause every collector of the society or company to deliver, at least once within three months after the commencement of this Act, at every house or other place at which he makes a visit for the purpose of receiving a premium payable on a policy of insurance on human life, a notice, in a form approved by the Commissioner, setting forth the effect of the provisions of this section and of the Schedule to this Act, and if any collector fails to deliver any notice in accordance with the requirements of this subsection he and the society or company of which he is a collector shall be guilty of an offence under the Industrial Assurance Act, 1923.

4 Retrospective operation of Act.

Any endowment policy issued before the first day of January, nineteen hundred and twenty-four, which would have been in force on that date if this Act had been in operation on and from the date on which the policy was issued shall be deemed for the purposes of this Act to have been in force on the said first day of January and, in the case of a policy of the description mentioned in section one of this Act, to have been issued in accordance with the provisions of that section, and as respects any endowment policy in force on, or issued since, that date, this Act shall be deemed to have been in operation on and from the date on which the policy was issued.

5 Short title, citation, construction and extent.

- (1) This Act may be cited as the Industrial Assurance and Friendly Societies Act, 1929, and this Act and the Industrial Assurance Acts, 1923 and 1926, may be cited together as the Industrial Assurance Acts, 1923 to 1929, and this Act and the Friendly Societies Acts, 1896 to 1924, may be cited together as the Friendly Societies Acts, 1896 to 1929.
- (2) For the purposes of this Act—
 - " Policy " includes any contract of assurance and the date of the making of any such contract shall be deemed to be the date of the issue of a policy; and
 - " Endowment policy " means a policy issued or deemed under this Act to have been issued in accordance with the provisions of section one of this Act, 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.
- (3) References in this Act to the Friendly Societies Act, 1896, and to the Industrial Assurance Act, 1923, shall be construed as references to those Acts as amended or applied by any subsequent enactment, and this Act in its application to collecting societies and industrial assurance companies shall be construed as one with the Industrial Assurance Acts, 1923 and 1926, and in its application to friendly societies, not being collecting societies, shall be construed as one with the Friendly Societies Acts, 1896 to 1924.

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

(4) This Act shall extend to Great Britain, the Isle of Man and the Channel Islands.

SCHEDULE

Section 3.

RULES AS TO FREE PAID-UP POLICIES

- 1 The free paid-up policy 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 :

Provided that, where any sum has been paid by the society or company under the surrendered policy, before the surrender thereof, the sums assured by the free paid-up policy shall be computed on such basis as may be approved by the Industrial Assurance Commissioner.
- 2 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.