



# Industrial Assurance and Friendly Societies Act 1948

## 1948 CHAPTER 39

*Amendments as to insurances authorised, and as to alienation of insurance benefits.*

### **1 Cesser of powers to insure for funeral expenses.**

The powers to insure conferred on registered friendly societies and on industrial assurance companies by the following enactments in the Friendly Societies Act, 1896, the Industrial Assurance Act, 1923, and the Industrial Assurance and Friendly Societies Act, 1929 (in this Act referred to respectively as the Act of 1896, the Act of 1923, and the Act of 1929) shall cease to be exercisable at the expiration of one year from the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946, that is to say—

- (a) so much of paragraph (b) of subsection (1) of section eight of the Act of 1896 as relates to insuring money for funeral expenses ;
- (b) section three of the Act of 1923 (which relates to insuring money for funeral expenses) ; and
- (c) section one of the Act of 1929 (which relates to insuring money to be paid on the duration of a life for a specified period, either with or without provision for a payment in the event of a death before the expiration of the period but subject to a limitation of any payment at death to an amount reasonable for funeral expenses) :

Provided that—

- (a) this section shall apply only to insurances where the funeral expenses in question are those, or the life in question is that, of a person who at the time of the proposal is ordinarily resident in Great Britain ; and
- (b) nothing in this section shall prejudice any insurance effected in exercise of any of the said powers before the expiration of one year from the day appointed as aforesaid, or any rights or liabilities in respect of any such insurance.

**2 Power to insure life of parent or grandparent for not more than £20; and prohibition of alienation of such insurances.**

- (1) Amongst the purposes for which registered friendly societies and industrial assurance companies may insure shall be included insuring money to be paid to the member (in the case of such a society) or to the person insured (in the case of such a company) on the death of a parent or grandparent of his :

Provided that this subsection shall apply only where the death in question is that of a person who at the time of the proposal is ordinarily resident in Great

This subsection, and the next following subsection, shall come into operation at the expiration of one year from the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946.

- (2) Such a society or company shall not, in effecting an insurance at any time in exercise of the power conferred by the preceding subsection, 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 twenty pounds, and, where an insurance has been effected in exercise of that power, shall not—
- (a) by virtue of or in connection with that insurance, pay to any person any sum which exceeds twenty pounds when taken alone, or
  - (b) by virtue of or in connection with that insurance, pay to the person by whom that insurance was taken out any sum which exceeds twenty pounds 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 that death by virtue of or in connection with that insurance to the person by whom it was taken out and has not. been repaid, 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 twenty pounds when added to the amount 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 :

Provided that there shall be excluded for the purposes of this subsection any sum insured to be paid, or paid.—

- (i) by way of bonus other than a guaranteed bonus ;
  - (ii) by way of repayment of premiums; or
  - (iii) under a free paid-up policy which is in force as such at, or has been applied for or claimed before, the passing of this Act.
- (3) The provisions of the First Schedule to this Act shall have effect, from the expiration of one year from the day appointed as aforesaid, as to the production of certificates of death in connection with the making of payments relevant for the purposes of the last preceding subsection.
- (4) 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, any assignment or charge made by him after the passing of this Act 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 the Industrial Assurance Acts, 1923 to 1929, or of this Act, and 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 receiving order or the award of sequestration of his estate was made after the passing of this Act none of those rights shall pass to any trustee or other person acting on behalf of his creditors.

- (5) In this section and in the said Schedule the expression " relevant insurance " means an insurance effected by any registered friendly society or industrial assurance company in exercise either of the power conferred by subsection (1) of this section or of any power conferred by section three of the Act of 1923 or section one of the Act of 1929, and references, to a payment on a person's death include references to a payment for his funeral expenses,

### **3 Power of friendly society to insure life of spouse of member.**

There shall be added to the objects mentioned in subsection (1) of section eight of the Act of 1896 (which specifies the objects of societies which may be registered as friendly societies) the insuring of money to be paid to the member—

- (a) on the death of the husband or wife of the member ; or
- (b) on the duration for a specified period of the life of the husband or wife of the member, either with or without provision for the payment of money in the event of his or her death before the expiration of that period.

### **4 Amendments consequential on preceding sections.**

There shall be made in the Acts of 1896, 1923 and 1929, the amendments, consequential on the provisions of the three preceding sections, which are set out in the Second Schedule to this Act.

### **5 Amendments as to limitation of benefits from friendly societies.**

- (1) In section forty-one of the Act of 1896 (which imposes limits of three hundred pounds, and of fifty-two pounds, respectively on the amount that a member, or person claiming through a member, of a registered friendly society is to be entitled to receive from any one or more such societies by way of gross sum and by way of annuity respectively) five hundred pounds shall be substituted for three hundred pounds, and one hundred and four pounds shall be substituted for fifty-two pounds.
- (2) In the proviso to subsection (1) of section eight of the Act of 1896 (which provides that a friendly society which contracts with any person for the assurance of an annuity exceeding fifty pounds per annum, or of a gross sum exceeding two hundred pounds, shall not be registered under that Act) one hundred and four pounds shall be substituted for fifty pounds, and five hundred pounds shall be substituted for two hundred pounds.
- (3) This section shall not come into operation until an enactment has been passed and come into operation substituting references to five hundred pounds and one hundred and four pounds respectively for the references to three hundred pounds and fifty-two pounds in subsection (1) of section thirty-nine of the Income Tax Act, 1918 (which provides that a registered friendly society which is precluded, by Act of Parliament or by its rules, from assuring to any person a sum exceeding three hundred pounds by way of gross sum, or fifty-two pounds a year by way of annuity, shall be entitled to exemption from tax under Schedules A, C and D).

**6 Prohibition of insuring money to be paid on death of a child under ten.**

- (1) A society (whether registered or unregistered), an industrial assurance company, or a trade union (whether registered or unregistered), shall not insure so as to render any sum payable under the insurance on the death of any person at any time before he or she attains the age of ten years, otherwise than by way of repayment of the whole or any part of premiums paid:

Provided that—

- (a) this subsection shall not apply in the case of a person born before the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946 ;
- (b) in the case of a person born on or within the year from that day, this subsection shall not apply to a sum payable on his or her death within that year ;
- (c) this subsection shall apply only in the case of a person who at the time of the proposal is ordinarily resident in Great Britain ;

and this subsection shall 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.

- (2) The preceding subsection shall have effect in substitution for section sixty-two of the Act of 1896 (which limits amounts that may be insured or paid on the death of a person under ten years of age), both as it applies to societies and as it applies, by virtue of subsection (1) of section four of the Act of 1923, to industrial assurance companies, and, by virtue of section two of the Trade Union Act Amendment Act, 1876, to trade unions ; and sections sixty-three to sixty-six of the Act of 1896 and subsection (2) of section four of the Act of 1923 (which relate to persons to whom, and to conditions on which, payments may be made on the death of a person under ten years of age) shall cease to have effect:

Provided that those enactments (other than the provisions thereof as to the persons to whom payment may be made) shall continue to apply as respects insurances effected before the passing of this Act, or effected thereafter by virtue of paragraph (a), (b) or (c) of the proviso to the preceding subsection, and as respects payments under such insurances.

- (3) In subsection (2) of section thirty-nine of the Government Annuities Act, 1929 (which provides that a savings bank insurance may be granted, if the amount does not exceed five pounds, to a person not under the age of eight years) the word " ten " shall be substituted for the word "eight" and paragraph (h) of subsection (2) of section fifty-two of that Act (which requires a payment on the death of a child under ten years of age to be made subject to the provisions of sections sixty-two to sixty-seven of the Act of 1896) is hereby repealed.

**7 Power to extend application of preceding provisions of this Act which are limited to persons resident in Great Britain.**

If provision for the payment of death grants corresponding to the provision therefor made by or under the National Insurance Act, 1946, is made by or under the law of a country or place outside Great Britain, His Majesty shall have power, exercisable by Order in Council a draft whereof shall be laid before Parliament, to provide for extending the application of section one of this Act, subsection (1) of section two thereof, and subsection (1) of section six thereof, subject to any modifications necessitated by differences between any provision made by or under the said Act of 1946 and the corresponding provision, to 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 consequential amendments of provisions of this Act.

*Amendments as to procedure and administration.*

**8 Premium receipt books.**

- (1) 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 inserted in such a book.
- (2) Regulations may be made by the Commissioner, subject to the approval of the Treasury signified by statutory instrument which shall be subject to annulment in pursuance of resolution of either House of Parliament, with respect to the form of books to be provided as aforesaid and to the use thereof and the insertion of receipts therein, and, without prejudice to the generality of this subsection, regulations made for the purposes thereof may provide for prohibiting or restricting in any prescribed circumstances the use of a single premium receipt book for payments in respect of two or more policies.

**9 Liability on policies not to be restricted on grounds of health if proposer's knowledge and belief is properly disclosed.**

- (1) Nothing in any term or condition of an industrial assurance policy issued after the passing of this Act or in the law relating to insurance shall operate to except the society or 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.
- (2) In relation to a policy issued after the passing of this Act, subsection (4) of section twenty of the Act of 1923 (which relates to misstatements contained in certain proposal forms for industrial assurance policies) shall not apply to a misstatement concerning the state of health of the person upon whose life the assurance is to be taken out.

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

- (1) A collecting society shall supply a member, free of charge, with the following, that is to say—
  - (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 section ten of the Act of 1923 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;

and shall, on demand by him and on payment by him of such sum not exceeding one shilling as the society may require, supply a member to whom a copy of the rules of the society has been supplied with a further copy thereof.

- (2) 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 thirteen of the Act of 1896, 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.

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

- (3) For the purposes of this section, 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.
- (4) Section nine of the Act of 1923, and the reference to that section in the First Schedule to that Act, are hereby repealed.

## 11 Matters to be set out in rules of collecting societies.

- (1) Subsection (3) of section eight of the Act of 1923 (which requires the provisions of that Act mentioned in the First Schedule thereto to be set forth in the rules of collecting societies) shall extend to the following provisions, that is to say—

Subsections (2), (4) and (5) of section two of this Act	—Insurances on life of parent or grandparent : limit on amount, and prohibition of assignment or charge
Section eight of this Act	—Premium receipt books
Section nine of this Act	—Restriction of liability on policies on ground of health
Subsections (1) and (2) of section ten of this Act	—Obligations as to delivery of policies, and of copies of rules and amendments thereof
The First Schedule to this Act	—Death certificates in connection with payments referred to in section two (2) of this Act,

and shall have effect, both as regards those provisions and as regards the relevant provisions of the Act of 1923, subject to the modification that the rules may, if the

Commissioner consents, in any case, and shall in the case of the provisions of the First Schedule to this Act, in lieu of setting out the provisions in question, contain a statement which, in the opinion of the Commissioner, sufficiently sets forth the effect thereof.

- (2) References to the above-mentioned provisions of this Act shall accordingly be inserted in the First Schedule to the Act of 1923.
- (3) The requirement imposed by subsection (3) of section eight of the Act of 1923 to set out provisions of that Act in rules shall, in the case of a provision which is amended by this Act, be construed as relating to that provision as so amended.
- (4) This section shall come into operation at the expiration of one year from the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946.

## **12 Matters to be set out in premium receipt books, and to be published.**

- (1) Section twenty-one of the Act of 1923 (which requires the provisions of that Act mentioned in the Third Schedule thereto, or a statement setting forth the effect of those provisions, to be set out in policies of industrial assurance), and the said Third Schedule, shall cease to have effect, and subsections (3) and (4) of section three of the Act of 1929 (which require the provisions of that section, or a statement setting forth the effect of those provisions, to be set out in such policies and in premium receipt books) shall cease to have effect so far as they relate to the setting out in policies.
- (2) A collecting society, and an industrial assurance company, shall cause to be set out, in every premium receipt book provided by them after the coming into operation of this subsection for use in respect of policies of industrial assurance, the matters specified in the Third Schedule to this Act relating to the provisions mentioned in that Schedule of the Act of 1896, of the Act of 1923 and of this Act and of regulations made for the purposes of section eight of this Act.
- (3) The preceding provisions of this section shall come into operation at the expiration of one year from the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946 :

Provided that the last preceding subsection shall not come into operation as respects any regulations made under section eight of this Act until the expiration of six months from the date on which the regulations come into operation.

- (4) A collecting society, and an industrial assurance company, shall, at some time during such period as may be prescribed for the purposes of this subsection by order of the Treasury made by statutory instrument, publish by advertisement in one or more of the newspapers in general circulation in every county where the society or company carries on business a statement approved by the Commissioner as sufficiently setting forth the effect of the provisions of sections one, two and nine of this Act and of subsections (1) and (2) of section ten thereof, and of the effect of subsections (1) and (2) of section six of this Act and of section sixty-two of the Act of 1896 taken together :

Provided that such a society or company shall not be under obligation to comply with the preceding provisions of this subsection as respects any county if arrangements are made between the Commissioner and such societies and companies generally for the general publication by newspaper advertisement of such a statement, and such a statement is in accordance with those arrangements published during the said period

in manner approved by the Commissioner as satisfying the purposes of this subsection as respects that county.

### **13 Returns as to industrial assurances.**

- (1) A collecting society and an industrial assurance company shall, as respects each year as respects which they are required by the Commissioner in the prescribed manner so to do, 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) A requirement under this section may be made either generally as to all such societies or companies, or as to any class thereof, or as to a particular society or company, and the regulations may prescribe different particulars to be given in the case of different societies or companies or classes thereof.
- (3) Section sixteen of the Act of 1923 (which authorises the Commissioner to reject returns under the Act of 1896 or the Assurance Companies Act, 1909, which are incomplete or incorrect or do not comply with the requirements of the Act applicable, and to give directions for the variation thereof) shall apply to returns under this section.
- (4) In this section the expression " year " means, in relation to a collecting society, a year ending on a thirty-first day of December, and, in relation to an industrial assurance company, a financial year of the company.

### **14 Requirements as to audit of accounts of registered societies.**

- (1) Subject to the provisions of subsection (2) of this section a registered society not being a collecting society shall once at least in every year, beginning with the year nineteen hundred and fifty, submit its accounts for audit to one of the approved auditors appointed under section thirty of the Act of 1896 (as amended by section twenty of this Act) notwithstanding anything in subsection (1) of section twenty-six of that Act (which confers an option to have accounts audited either as aforesaid or by persons appointed in accordance with the rules of the society).
- (2) The option conferred by the said subsection (1) shall continue to be exercisable to the following extent and subject to the following provisions, that is to say—
  - (a) the said option shall be exercisable as respects the year nineteen hundred and fifty in the case of a society whose members numbered less than five hundred on the thirty-first day of December, nineteen hundred and forty-nine, and whose assets were then of an aggregate value less than five thousand pounds, and it shall be exercisable also (but subject to the provisions of the next succeeding paragraph) as respects each subsequent year in the case of a society which has been entitled to exercise the said option as respects all preceding years and which satisfied the conditions aforesaid as to number of members and value of assets on the thirty-first day of December immediately before the beginning of the subsequent year in question ;
  - (b) provision may be made at any time or from time to time by regulations for limiting the exercise of the said option as respects any years subsequent to the year nineteen hundred and fifty, and subsequent to that in which the regulations are made, by substituting for the purposes of the preceding paragraph a prescribed number of members and value of assets being less



(as to number or value or as to both) than that mentioned in the preceding paragraph or that prescribed by the regulations then last made, as the case may be, and substituting for the reference in the preceding paragraph to the thirty-first day of December, nineteen hundred and forty-nine, a reference to the thirty-first day of December in the year in which the regulations are made, and ultimately for rendering the said option no longer exercisable in the case of any society ; and

- (c) the registrar may give a direction, in the case of any particular society which apart from the direction would be entitled to exercise the said option as respects any year, requiring it to submit its accounts in that year for audit to an approved auditor, and if (as he is hereby authorised to do) the registrar gives such a direction after the society has sent to him its annual return for the year in question, being a return stating that the audit therefor has been conducted by persons other than an approved auditor, he may also direct that the society shall, after its accounts have been audited by an approved auditor and within three months from receipt of the direction, send to him a further annual return complying with the requirements of section twenty-seven of the Act of 1896 (other than that as to time of sending).
- (3) Regulations for the purposes of the preceding subsection shall be made by the chief registrar, subject to the approval of the Treasury signified by statutory instrument which shall be subject to annulment in pursuance of resolution of either House of Parliament.
- (4) In subsection (1) of section thirty of the Act of 1896 (which, as amended by section twenty of this Act, after dealing with the appointment of approved auditors and public valuers, provides that their employment shall not be compulsory) the words " but the employment of those auditors and valuers shall not be compulsory " are hereby repealed :

Provided that the said repeal shall not be construed as rendering the employment of an approved auditor or public valuer compulsory in any case in which it would not otherwise be compulsory.

## **15 Amendments of registered societies' rules consequential on this Act.**

- (1) The rules of a registered society shall be amended for the purpose of bringing them into conformity with the provisions of this Act, and amendments made for that purpose shall be sent to the registrar within one year from the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946.
- (2) If the registrar is satisfied, and certifies, that amendments sent to him within the period required by virtue of the preceding subsection, or within such further time as the registrar may in special circumstances allow, are for the purpose of bringing the rules of a registered society into conformity with the provisions of this Act or for the purpose of enabling the society to exercise any power conferred by this Act, and have been approved by the committee, he may register the amendments notwithstanding that the provisions of the rules of the society as to the alteration of rules or the making of new rules have not been complied with, or (in the case of a friendly society formed and established before the fifteenth day of August, eighteen hundred and fifty) that the rules of the society do not make provision for the alteration thereof, and an amendment registered under this section, shall, unless it is for some other reason invalid, be valid notwithstanding as aforesaid.

**16 Provisions as to offences.**

- (1) Any registered society not being a collecting society which contravenes or fails to comply with any of the provisions of this Act, or of a direction given under section fourteen of this Act, shall be guilty of an offence under the Act of 1896, and, in the case of a contravention of subsection (2) of section two of this Act or of subsection (1) of section six thereof, shall be liable to a fine not exceeding fifty pounds:

Provided that such a society shall not be guilty of an offence under the Act of 1896 by reason of its insuring in contravention of subsection (2) of section two of this Act 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 subsection.

- (2) Any collecting society or industrial assurance company which contravenes or fails to comply with any of the provisions of this Act, or of regulations made for the purposes of section eight thereof, shall be guilty of an offence under the Act of 1923 :

Provided that such a society or company shall not be guilty of an offence under the Act of 1923 by reason of its insuring in contravention of subsection (2) of section two of this Act if it is proved that, owing to any false representation on the part of the proposer, the society or company did not know that the insurance was in contravention of that subsection.

- (3) Any collector of a collecting society or industrial assurance company, or any other person, who contravenes or fails to comply with any of the provisions of regulations made for the purposes of section eight of this Act affecting such collector or other person shall be guilty of an offence under the Act of 1923.
- (4) Any society not being a registered society, and any trade union, which contravenes subsection (1) of section six of this Act shall be guilty of an offence under the Act of 1896 and shall be liable to a fine not exceeding fifty pounds.
- (5) Notwithstanding any limitation on the time for the taking of proceedings contained in any Act, summary proceedings for offences under the Act of 1896 may be commenced at any time within one year of the first discovery thereof by the registrar, but not in any case after more than- three years from the commission of the offence :

Provided that this subsection shall not apply 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 (for which cases corresponding provision is made by subsection (5) of section thirty-nine of the Act of 1923).

*Miscellaneous and general.*

**17 Protection for members of registered societies joining the forces.**

- (1) Any provision in the rules of a registered society which purports to deprive persons of membership of the society or of any interest therein by reason of their service in any of the naval, military or air forces of the Crown (which expression shall for the purposes of this section be treated in the case of a woman as including service in any of the capacities mentioned in the Fourth Schedule to this Act) shall be of no effect, and no person shall be fined for failure to attend any meeting of the society or otherwise to comply with the rules thereof if the failure was due to his or her service as aforesaid.

- (2) Section forty-three of the Act of 1896 is hereby repealed.
- (3) Notwithstanding anything in the Government of Ireland Act, 1920, the Parliament of Northern Ireland shall have power to make laws for purposes similar to any of the purposes of this section.

## **18 Provisions as to payments on deaths in certain circumstances.**

- (1) The powers to determine questions of title conferred on a majority of the trustees of a registered society by section fifty-eight of the Act of 1896 (which relates to payment of small sums to which members of registered societies are entitled on the death intestate of such a member) shall be exercisable by the committee of the society in lieu of by a majority of the trustees, and accordingly a reference to the committee shall be substituted for each reference to a majority of the trustees in that section and for the reference thereto in section sixty of the Act of 1896 (which refers to the said section fifty-eight).
- (2) For bringing into accord with the law relating to estate duty as amended by the Finance Act, 1946, the form of the following enactments, that is to say—
  - (a) section fifty-nine of the Act of 1896,
  - (b) subsection (2) of section ten of the Provident Nominations and Small Intestacies Act, 1883, and
  - (c) subsection (1) of the section substituted by section six of the Industrial and Provident Societies (Amendment) Act, 1913, for section twenty-eight of the Industrial and Provident Societies Act, 1893,being enactments which make provision as to estate duty on sums paid under those Acts without probate or letters of administration, there shall be substituted for those enactments respectively the enactments set out in paragraphs 1, 2 and 3 respectively of the Fifth Schedule to this Act.
- (3) The receipt, or letter or certificate, from the Commissioners of Inland Revenue as to payment of death duties or freedom therefrom required by the following enactments in cases of payments under nominations by members of societies, and in cases of payments on intestacies of members of societies entitled to sums not exceeding one hundred pounds, shall be required in cases of payments under nominations only where the member's total property in the society exceeds two hundred pounds, and shall cease to be required in cases of payments on such intestacies, and accordingly the following amendments shall be made in those enactments respectively :

The said enactments and the amendments to be made therein are—

- (a) subsection (3) of section fifty-seven of the Act of 1896 (relating to nominations), in which the words " two hundred pounds " shall be substituted for the words " eighty pounds ";
- (b) subsection (1) of section fifty-eight of the Act of 1896 (relating to intestacies), in which the words from " subject " to the end of the subsection are hereby repealed ;
- (c) subsection (1) of section ten of the Provident Nominations and Small Intestacies Act, 1883 (relating to nominations and to intestacies), in which the words " two hundred pounds " shall be substituted for the words " eighty pounds " , and the words " or standing to the credit of any person in any society at his death " , and the words " or otherwise " where they occur for the second time, are hereby repealed;

- (d) subsection (2) of the section substituted by section six of the Industrial and Provident Societies (Amendment) Act, 1913, for section twenty-eight of the Industrial and Provident Societies Act, 1893 (relating to nominations and to intestacies), in which there shall be inserted, after the words " If the principal value of the property or money to be so transferred or paid exceeds eighty pounds " , the words "and the transfer or payment is made under the said section twenty-six and the total property of the nominator in the society at his death exceeds two hundred pounds ".

## **19 Provisions as to investment by registered societies and certain other bodies.**

- (1) The power to invest funds with the National Debt Commissioners conferred on registered societies by paragraph (c) of subsection (1) of section forty-four, and section fifty-two, of the Act of 1896 shall cease to be exercisable.
- (2) The said Commissioners may at any time make payments in or towards repayment of moneys invested with them by such societies, and shall repay all such moneys not later than the twentieth day of November, nineteen hundred and fifty-one, and the provisions of sections twenty-six and twenty-seven of the Trustee Savings Banks Act, 1863 (which, as applied by subsection (4) of section fifty-two of the Act of 1896, impose certain restrictions on such payments) shall cease to have effect as to such payments.
- (3) Where the said Commissioners propose to make a payment under this section to a registered society, they shall, by not less than twenty-eight days notice in writing, notify the society of their proposal, specifying the amount and date of the payment proposed, and, if necessary, requiring the society to appoint a person to whom payment may be made.
- (4) In accordance with the preceding provisions of this section—
- (a) there are hereby repealed paragraph (c) of subsection (1) of section forty-four of the Act of 1896, and, in section fifty-two of that Act, subsections (1) to (3), subsection (4) so far as it relates to sections twenty-six and twenty-seven of the Trustee Savings Banks Act, 1863, and subsections (6) and (9) ; and
  - (b) as from such day as may be appointed for the purposes of this provision by order of the Treasury made by statutory instrument, being a day not earlier than the twentieth day of November, nineteen hundred and fifty-one, the enactments specified in Part I of the Sixth Schedule to this Act shall be repealed to the extent specified in the third column of that Part of that Schedule.
- (5) It is hereby declared that nothing in section forty-four of the Act of 1896 (which enacts that the trustees of a registered society may invest its funds to any amount in the ways therein mentioned, including investment in the Post Office Savings Bank or in any savings bank certified under the Trustee Savings Banks Act, 1863), or in any of the following sections (which make similar provision as to investment of the funds, money or capital of the bodies therein respectively mentioned), that is to say—
- (a) section twenty-seven of the Savings Bank Act, 1828, and section thirty-two of the Trustee Savings Banks Act, 1863,
  - (b) section one of the Savings Bank (Charitable Societies) Act, 1859,
  - (c) section thirty-nine of the Industrial and Provident Societies Act, 1893, and
  - (d) section sixteen of the Building Societies Act, 1894,

is to be construed as imposing any obligation on any savings bank authority as respects their or his receiving any such funds, money or capital.

In this subsection the expression " savings bank authority " has the meaning assigned to it by subsection (3) of section ten of the Savings Banks Act, 1920.

(6) This section shall extend to Northern Ireland.

## **20 Change of designation of " public auditors " to " approved auditors "; and qualification.**

(1) The designation of the auditors appointed under section thirty of the Act of 1896, and of the auditors appointed under section seventy-two of the Industrial and Provident Societies Act, 1893, shall be " approved auditors " instead of " public auditors", and accordingly a reference to " an approved auditor " shall be substituted for any reference to " a public auditor " in—

- (a) the Friendly Societies Acts, 1896 to 1929 ;
- (b) the Industrial Assurance Acts, 1923 to 1929 ;
- (c) the Industrial and Provident Societies Acts, 1893 to 1928 ;
- (d) the Superannuation and other Trust Funds (Interpretation) Regulations, 1928.

(2) No person shall be qualified to be appointed an approved auditor under section thirty of the Act of 1896 or under section seventy-two of the Industrial and Provident Societies Act, 1893, unless he is a member of one or more of the following bodies, that is to say.—

The Institute of Chartered Accountants in England and Wales;  
The Society of Incorporated Accountants and Auditors;  
The Society of Accountants in Edinburgh;  
The Institute of Accountants and Actuaries in Glasgow;  
The Society of Accountants in Aberdeen;  
The Association of Certified and Corporate Accountants;  
The Institute of Chartered Accountants in Ireland:

Provided that—

- (a) the preceding provision shall not affect the qualification of a person who is an approved auditor at the passing of this Act, for the purpose either of his existing appointment or of any subsequent appointment under either of those sections ;
- (b) notwithstanding that provision, where a person who is not such a member or an approved auditor at the passing of this Act was appointed in accordance with the rules of a registered society for the purposes of the audit of the accounts of the society made in the years nineteen hundred and forty-eight and nineteen hundred and forty-nine and in each subsequent year (if any) as respects which the option conferred by section twenty-six of the Act of 1896 to submit accounts for audit to persons so appointed was exercisable by the society, the Treasury may, if they think fit, appoint him under the said section thirty for the purposes only of audit of the accounts of a society in accordance with whose rules he was appointed as aforesaid ; and
- (c) notwithstanding that provision, the Treasury may, if they think fit, appoint under the said section thirty a person who is not such a member or an approved

auditor at the passing of this Act, if they are satisfied that it is necessary for them to do so for giving effect to the purposes of section fourteen of this Act.

**21 Repeal of provisions requiring Treasury consent to mode of determination of disputes.**

The provisions of subsection (3) of section sixty-eight of the Act of 1896, and of subsection (2) of section forty-nine of the Industrial and Provident Societies Act, 1893, which require the consent of the Treasury for the determination as therein mentioned of certain disputes shall cease to have effect, and accordingly there are hereby repealed—

- (a) in the said subsections respectively, the words " with the consent of the Treasury " ; and
- (b) in subsection (1) of section thirty-two of the Act of 1923, the words " and the consent of the Treasury to his dealing therewith had been given ".

**22 Repeal of s. 28 of the Act of 1923.**

Section twenty-eight of the Act of 1923 (which relates to policies to which the Courts (Emergency Powers) Act, 1914, applied), and the reference to that section in the First Schedule to the Act of 1923, are hereby repealed.

**23 Interpretation.**

(1) In this Act, except where the context otherwise requires.—

- (a) the expression " society " means a society for any of the purposes specified in section eight of the Act of 1896, the expression " registered society " means a society registered under that Act, and references to a society or to a registered society or to a registered friendly society include references to a branch of such a society ;
- (b) the expression " policy " includes any contract of assurance, and for the purposes of this Act the date of the making of any such contract shall be deemed to be the date of the issue of a policy ;
- (c) the expression " proposal " in relation to an insurance, includes an application for an insurance, and the expression " proposer " shall be construed accordingly ; and
- (d) the expression " trade union " means a trade union within the meaning of the Trade Union Act, 1913.

(2) In this Act the expression " parent " includes a stepfather and a stepmother.

(3) It is hereby declared that the provision made by subsection (5) of section five of the Adoption of Children Act, 1926, and by subsection (6) of section five of the Adoption of Children (Scotland) Act, 1930, that the adopter of a child shall be deemed to be the parent of the child for the purposes of enactments relating to friendly societies, collecting societies and industrial assurance companies, applies for all the purposes of any enactment so relating, whether passed before or after the commencement of the said Act of 1926 or of the said Act of 1930, as the case may be, and including this Act.

**24 Extent.**

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

- (2) Except as regards subsection (3) of section seventeen thereof and section nineteen thereof, this Act shall not extend to Northern Ireland.

**25 Short title, citation, construction and repeal.**

- (1) This Act may be cited as the Industrial Assurance and Friendly Societies Act, 1948.
- (2) This Act and the Industrial Assurance Acts, 1923 to 1929, may be cited together as the Industrial Assurance Acts, 1923 to 1948, and this Act and the Friendly Societies Acts, 1896 to 1929, may be cited together as the Friendly Societies Acts, 1896 to 1948.
- (3) References in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as references to that enactment as amended by or under any other enactment, including this Act.
- (4) This Act, in its application to collecting societies and industrial assurance companies, shall be construed as one with the Industrial Assurance Acts, 1923 to 1929, and in its application to friendly societies, not being collecting societies, shall be construed as one with the Friendly Societies Acts, 1896 to 1929.
- (5) The enactments specified in Part II of the Sixth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Part of that Schedule.