



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.