



## CHAPTER vi.

An Act for amending the Scottish Union and National Insurance Company's Act, 1878; and for other purposes. A.D. 1886.  
[16th April 1886.]

**W**HEREAS by the Scottish Union and National Insurance Company's Act, 1878 (hereinafter called the Act of 1878), the Scottish Union Insurance Company and the Scottish National Insurance Company were amalgamated and incorporated into one body politic and corporate, by the name of the Scottish Union and National Insurance Company (hereinafter called "the Company"), and provisions were made for the management and regulation of the Company and its business: 41 Vict. c. 53.

And whereas it is expedient to remove any doubt that may exist as to the power of the Company to undertake certain kinds of insurance business:

And whereas it is expedient to amend certain provisions of the Act of 1878, and to make further provision for investment of the funds of the Company, and other matters:

And whereas the objects of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted, and be it enacted by the Queen'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 (that is to say):—

1. This Act may be cited as the Scottish Union and National Insurance Company's Act, 1886, and shall be construed together with the Act of 1878 as one Act. Short title and construction.

2. In addition to their existing powers the Company shall have power to make or effect insurances against loss or damage to property by lightning, tempest, explosion, or other accidents, and to make or effect insurances on all contingencies connected with the existence or duration of human life. Power of Company to carry on certain kinds of insurance business.



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Provision  
as to life  
insurance  
policies and  
annuity  
transactions  
effected since  
Act of 1878.

3. All policies of insurance on life, and all annuity transactions, effected by the Company after the passing of the Act of 1878 (except and subject as therein provided), shall be kept in a separate account or in separate accounts, and the directors may from time to time determine what portion of the profits arising on such accounts respectively shall be distributed, and among what body or bodies of policy-holders, and what portion shall be reserved for future distribution, and they may also (except and subject as aforesaid) determine the times at which, and the principles, manner and conditions on which such distributions may be made, and they may vary the same from time to time. All such profits not so distributed or reserved shall be carried to the credit of the general profit and loss account of the Company.

Qualification  
of members  
of local  
boards of  
directors.

4. It shall not be necessary for any member of a local board of directors of the Company, whether in the United Kingdom or abroad, to hold any paid-up capital of the Company as such member; and section sixty-one of the Act of 1878 shall be read and have effect as if the words "holding such amount of paid-up capital in the Company" had not been inserted therein: Nevertheless the directors may from time to time, if they see fit, by resolution, require a certain amount of paid-up capital in the Company to be held by the members of any particular local board of directors, and may alter, modify, or rescind any such resolution.

Policies in  
danger of  
becoming  
void.

5. (1.) If any life policy granted before or after the passing of the Act of 1878 shall have at any time become void, or shall, in the opinion of the directors, be in danger of becoming void through non-payment of a premium, the directors may, if they see fit, upon the application of any person interested in such policy, declare that the policy, instead of being or becoming void, is revived or continued in force, either for the whole amount or only for a reduced amount, and either for the whole period thereof or for a limited period, and that any unpaid premium or premiums, together with compound interest thereon at a rate not exceeding five pounds per centum per annum, are created a charge upon the policy and may be deducted by the Company from the sum payable by them on the policy falling due, and that any bonus or bonuses on the policy have been or may be applied by the Company in or towards payment of premiums which have become or may become due, and may make any one or more of such declarations as they may see fit, and such declaration or declarations, when endorsed by the Company on the policy, shall be binding on all persons having or claiming interest therein.

(2.) Where the holder of any policy is one of the persons described in section seven of the Lands Clauses Consolidation Act,



1845, or in section seven of the Lands Clauses Consolidation (Scotland) Act, 1845, and by that Act enabled to sell land thereunder, that person may make application to the Company, and may, if required by them, enter into or consent to any agreement with the Company under this section as if he were the absolute owner of the policy. A.D. 1886.

**6.** The powers of investment shall include power to invest the funds of the Company— Powers of investment.

- (1.) In the purchase of any lands or interest in lands, whether for life or years, including head rents, chief rents and rentcharges, or any kind of rents or income arising out of or charged on lands in the United Kingdom; but the total money laid out and remaining invested in the purchase of lands (other than feu-duties and ground-annuals in Scotland) shall not at any time exceed two hundred thousand pounds, exclusive of what the Company may acquire for business premises;
- (2.) In the purchase or on the security of the debentures, debenture stocks, mortgages or bonds, or the guaranteed or preference stock or shares of any railway, canal, gas or other lighting, water, dock, harbour or navigation company or trust, in the United Kingdom, India, or any colony or dependency of the United Kingdom, paying dividends on its ordinary share capital where such exists;
- (3.) In the purchase or on the security of life interests or vested or contingent reversionary estates and interests in personal estate invested in any of the securities which the Company is authorised to hold as investments;
- (4.) Upon the security or upon mortgage of lands or of any estate or interest in lands in the United States of America;
- (5.) In any securities or classes of securities which would be accepted or approved by the laws, customs, or practice of any colony or dependency of the United Kingdom, or of any foreign country, state, or place where the Company may be carrying on, or may desire to carry on business, in order to enable insurance companies to carry on business therein; but so that the amount invested for that purpose in any foreign country shall not exceed five times the amount of the yearly income which the Company for the time receives from business there.

**7.** The election of a chairman of the directors, his continuance in office, and his powers, shall be regulated by bye-laws or regulations to be made by the directors under the powers of the Act of 1878. Chairman of directors.

**8.** So much of the Act of 1878 as is specified in the Schedule to this Act is hereby repealed, without prejudice to anything done or suffered before the passing of this Act. Repeal of portions of Act of 1878.

A.D. 1886. 9. All costs, charges, and expenses of and incidental to the pre-  
paring for, obtaining and passing of this Act, or otherwise in relation  
Costs of Act. thereto, shall be paid by the Company.

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## SCHEDULE.

### PORTIONS OF THE SCOTTISH UNION AND NATIONAL INSURANCE COMPANY'S ACT, 1878, REPEALED.

Section nineteen.

Section sixty.

In Section sixty-one the words—

“ holding such amount of paid-up capital in the Company.”

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