



CHAPTER xxi.

An Act for amending the Act incorporating the Life Association of Scotland, and the Contract of Copartnery and Royal Charter of that Association ; for enlarging their powers of investment ; and for other purposes.

A.D. 1888.

[16th May 1888.]

WHEREAS by a contract of copartnery, dated the twenty-third day of March in the year one thousand eight hundred and thirty-nine and various subsequent dates, and registered in the books of Council and Session at Edinburgh the first day of March one thousand eight hundred and forty-one, the persons therein named and designed and thereto subscribing formed themselves into a company, as from the eighteenth day of December one thousand eight hundred and thirty-eight, under the name of the Edinburgh and Glasgow Assurance Reversion and Trust Company, in order to carry on the business of effecting assurances on lives and survivorships, the purchasing and granting of annuities and endowments and reversions, and such other business as is transacted by similar assurance companies : And whereas by charter under the seal appointed by the Treaty of Union to be kept and used in Scotland in place of the Great Seal formerly used there, bearing date the twenty-sixth day of April, and written to the seal and registered and sealed the seventh day of June, both in the year eighteen hundred and forty-one, Her Majesty incorporated the persons therein named, and all who were then or might thereafter become partners of the said company, into one body corporate and politic by the name of the Life Association of Scotland : And whereas the said Association was, by an Act passed in the seventeenth year of the reign of Her present Majesty, intituled “An Act for incorporating the Life Association of Scotland, for enabling the said Association to sue and to be sued, to take and hold property, and for other purposes relating to the said Association,” of new incorporated by the same name, and authorised to carry on the

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And whereas, having regard to the large and increasing business of the said Association, and to enable the same to be more effectually carried on, it is expedient that further provision should be made for the investment of the funds of the Association, and that the directors thereof should be empowered to close the register of transfers for a limited period previously to the payment of dividends ; but these objects cannot be effected 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 :—

Short titles. 1. For all purposes the recited Act may be cited as the Life Association of Scotland Act, 1853, and this Act may be cited as the Life Association of Scotland Act, 1888, and the recited Act and this Act may be cited together as the Life Association of Scotland Acts, 1853 and 1888.

Interpretation. 2. In this Act the following words and expressions have the meanings hereby assigned to them respectively, unless there be something in the subject or context repugnant to such construction, (that is to say) :—

The expression “the Association” means the Life Association of Scotland as incorporated by the recited Act ;

The expression “the directors” means the directors of the Association for the time being ;

The word “lands” includes lands, houses, buildings, messuages, and tenements of every description or tenure ;

The word “person” includes corporation.

Recited Act, contract of copartnership and charter to remain in force except as amended by this Act. Investment of funds. 3. Nothing in this Act contained shall be interpreted to affect the provisions of the recited Act or of the said contract of copartnership or royal charter, except in so far as necessary to give effect to the express provisions of this Act.

4. Without prejudice to the powers of investment contained in the recited Act and in the said contract of copartnership and royal charter, the paid-up capital and other funds and property for the time being of the Association (so far as the same shall not be required to satisfy the immediate claims upon and expenses of the Association) may be from time to time laid out and invested by the directors, in the name either of the Association, or of trustees to be

appointed by the directors for behoof of the Association, in any of the investments and securities herein-after mentioned; provided that, as respects any such securities which are payable to bearer, the same may be held by the Association in that form, without being transferred to the name either of the Association or of trustees as aforesaid; that is to say:—

(A) In the purchase of—

- (1) Government securities of the United Kingdom, or of India, or any of the presidencies thereof, or of the Dominion of Canada, or any of the provinces thereof, or of any colony or dependency of the United Kingdom, or Government securities of France, Holland, or Germany, or of the United States of America;
- (2) Stock of the Bank of England, or of the Bank of Ireland, or stock or shares of any bank in Scotland incorporated by royal charter, or by Act of Parliament;
- (3) Annuities granted by the Commissioners for the Reduction of the National Debt, or by any department of the State, or by the Association, or by any other assurance company or society, or secured upon the rates, tolls, or assessments leviable under any Act of Parliament by any county or municipal or other local authority or public body, or by any public company in the United Kingdom;
- (4) Mortgages, bonds, debentures, debenture stock, or other securities of any county, municipality, municipal or other local authority, or public body, having power to levy rates, tolls or assessments in the United Kingdom, or in India, or in the Dominion of Canada, or in any colony or dependency of the United Kingdom, and secured upon such rates, tolls or assessments;
- (5) Mortgages, bonds, debentures, debenture stock, guaranteed or preference stock, lien stock, or guaranteed or preference shares, of any railway, canal, water, lighting, dock, navigation, or harbour company, or trust, or other company, trust, or public body in the United Kingdom, or in India, or in the Dominion of Canada, or in any colony or dependency of the United Kingdom, paying dividends on ordinary share capital where such exists;
- (6) Stocks or shares of any railway or other company having a fixed rate of dividend or interest guaranteed by the Government of the United Kingdom, or by the British Indian Government, or by the Secretary of State for India, or by the Government or Legislature of the Dominion of Canada, or of any of the provinces thereof, or by the Government or

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Legislature of any colony or dependency of the United Kingdom ;

- (7) Ordinary stock or fully paid-up shares of any railway, canal, water, lighting, dock, navigation, or harbour company in the United Kingdom, or in India, or in the Dominion of Canada, or in any colony or dependency of the United Kingdom, paying dividends at the time, and for three years continuously before such purchase, on their ordinary stock or share capital ;
- (8) Feu duties, ground annuals, ground rents, head rents, chief rents, or rentcharges, or any kind of rents or income arising or payable out of or charged on lands in the United Kingdom ;
- (9) Lands, or any estate or interest in lands, whether for life or years, or in possession or reversion, or otherwise, in the United Kingdom ; but the total money laid out and remaining invested in the purchase of such lands shall not at any one time exceed two hundred thousand pounds, exclusive of any lands which the Association may acquire in virtue of the powers contained in the eleventh sub-section of this section ;
- (10) Annuities upon lives, or for a term of years certain, or in perpetuity, arising or payable out of or charged on lands in the United Kingdom, or out of or on any of the subjects or securities which the Association is authorised to purchase as investments ;
- (11) Any lands, wheresoever situated, which may be required by the Association for the purposes of business premises, or in connexion therewith, and all rights and interests therein, not exceeding in all ten acres in extent ;
- (12) Life interests and interests determinable on life, whether immediate, postponed, vested, or contingent, in any lands in the United Kingdom, or in any of the subjects or securities which the Association is authorised to purchase as investments ;
- (13) Vested or contingent reversionary estates or interests in any lands in the United Kingdom, or in any of the subjects or securities which the Association is authorised to purchase as investments ;
- (14) Policies of assurance issued by the Association, or by any other life assurance company or society :
- (B) In loans on the security of—
 - (1) Any of the subjects of investment which the Association is authorised to purchase ;

- (2) Any lands in the United Kingdom, or in India, or in the Dominion of Canada, or in any colony or dependency of the United Kingdom, or in the United States of America, or any interest therein;
- (3) Rates, tolls, or assessments leviable under any Act of Parliament;
- (4) Bonds, bills, or promissory notes granted by, or agreements made with, any policy holder of the Association, to an amount not exceeding the value at the time of any policy which shall be deposited with, or assigned or agreed to be assigned to the Association as a collateral security;
- (5) Bonds, bills, or promissory notes granted by, or agreements made with, any shareholder of the Association, to an amount not exceeding the selling price at the time of any shares of the Association transferred by him to the Association or to any person on their behalf;
- (6) Personal bonds, with the joint and several guarantee, covenant, or obligation of any person, and not less than two sureties or co-obligants, of whose responsibility the directors shall be satisfied, in conjunction with an assignation to a policy or policies of assurance issued by the Association or by any other life assurance company or society as a security;
- (7) Debentures or deposit receipts of any company or bank having its head office in the United Kingdom, or in India, or in the Dominion of Canada, or in any colony or dependency of the United Kingdom, and authorised to take money on debenture or deposit:

And the directors may at any time cause any of the capital, funds, and property so laid out and invested to be sold, disposed of, called in, or otherwise converted into money; and the money arising thereby to be again laid out and invested, and so from time to time as occasion may require: Provided always, that no part of the funds of the Association shall be at any time invested in the shares or stock of any company, other than the Bank of Scotland, that are or is not fully paid-up, or in the shares or stock of any Company in which the liability of the shareholders is not limited to the amount of their respective shares or stock.

5. In addition to the closing of the register of transfers for ten days previously to each annual meeting, authorised by the eighteenth section of the recited Act, it shall be lawful for the directors from time to time to close the said register for such period, not exceeding ten days at any one time, previously to the payment of any dividend, as they may appoint; and any transfer made during the time when the said register is so closed shall, as between the Association and

Power to
close register
of transfers.

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— as made on the day after the concluding day of such period.

Costs of Act. **6.** All costs, charges, and expenses of and incident to the pre-
paring for, obtaining, and passing of this Act, or otherwise in rela-
tion thereto, shall be paid out of the funds of the Association.

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