



CHAPTER xiii.

An Act to confer on the Provident Life Office further powers with respect to the Accumulation and Distribution of Profits and for other purposes. A.D. 1897.

[3rd June 1897.]

WHEREAS the Provident Life Office was originally formed by a Deed of Constitution in the year one thousand eight hundred and six by the name of the Provident Institution for Life Insurances and Annuities and was by the Provident Life Office Act 1889 (herein-after called "the Act of 1889") continued by the name of the Provident Life Office (herein-after called "the Office") subject to the provisions of the said Act and of new laws and regulations to be made under the powers thereof :

And whereas such new laws and regulations were duly made and adopted by two extraordinary general meetings of the Office and are dated the second day of October one thousand eight hundred and eighty-nine :

And whereas the subscribed capital of the Office is two hundred and fifty thousand pounds divided into two thousand five hundred shares of one hundred pounds each and ten pounds only has been paid on each share leaving a reserve liability of two hundred and twenty-five thousand pounds subject however to the power reserved to the Office by section nine of the Act of 1889 to cancel six hundred and fifty-four shares which had been purchased by or surrendered to the Office :

And whereas the invested funds of the Office amounted in the year one thousand eight hundred and ninety-five to three million four hundred and sixty-three pounds four shillings and four pence and the total income of the Office in that year was three hundred and forty thousand four hundred and ninety-eight pounds :

And whereas under the said Deed of Constitution as modified by subsequent byelaws it was by section fifty-four (inter alia) covenanted and agreed to the effect that at the end of every five years a statement should be drawn out by the directors showing the amount of moneys available for division as profit of which amount

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one half should be left to accumulate and be taken into account in the statement to be drawn out at the end of the next ensuing five years and the other half should be divided among the original proprietors of the institution and their respective representatives and the persons assured in the proportions therein mentioned and it was further agreed that the moiety of profits to which the persons assured should be entitled should be divided among them rateably according to the amount of premiums respectively paid by them :

And whereas in Article 73 of the existing laws and regulations the provisions of the said Deed of Constitution with respect to determining quinquennially the amount available for division as profit and with respect to carrying forward and accumulating one half of such amount and with respect to the division of the other half between the members of the Office and the persons assured are in effect repeated :

And whereas there were still in force on the first day of November one thousand eight hundred and ninety-six ten thousand three hundred and fifty-four policies to the aggregate amount of four million eight hundred and six thousand seven hundred and thirteen pounds issued before the passing of the Act of 1889 and entitled to participate in the division of the profits (herein-after called "existing participating policies") :

And whereas it was provided by the Act of 1889 (section seven) that the holders of existing participating policies should be entitled to no less share of profits than they would have been entitled to if that Act had not passed :

And whereas subject to the above recited proviso for the protection of holders of existing participating policies the directors of the Office have power under Article 74 of the existing Laws and Regulations to distribute the share of profits to which participating policy-holders are entitled at such times on such principles and by such methods as they may from time to time determine :

And whereas the directors are advised that it would increase the business of the Office and be to the interest of all concerned if the distribution of profits among the holders of participating policies issued subsequently to the thirty-first day of December one thousand eight hundred and ninety-two (being the date of making up the account for the last quinquennial investigation and distribution of profits) were made according to a method which would spread the distribution more evenly over the whole duration of each policy by assigning larger bonuses during the earlier years of its existence than is the case under the present method :

And whereas so long as a large number of existing participating policies remain in force there will not if the Office are compelled to

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carry forward and accumulate one half of the disposable profit be funds unappropriated and available both for paying such larger bonuses and for paying (as is intended) to the holders of existing participating policies no less amounts than they have hitherto received :

And whereas actuarial calculations have been made showing that in order to render the necessary funds available it would suffice to appropriate out of the one half of the disposable profit which is now carried forward and accumulated a sum not exceeding at any quinquennial investigation seven per centum of such one half but the directors are advised that they cannot make such appropriation without further powers :

And whereas the said actuarial calculations also show that such sums may be appropriated without impairing the security of the holders of existing policies and that the necessity for appropriating any such sums will altogether cease after about twenty-five years :

And whereas it is expedient accordingly to authorise such appropriation and to make the provisions in this Act contained :

And whereas the several proceedings required by the Life Assurance Companies Act 1870 for the protection of policy-holders in the case of transfer of business from one company to another under that Act have been (with the necessary adaptations) observed with respect to the application to Parliament for this Act (that is to say) publication in the Gazette of notice of such application transmission to each policy-holder of the Office of a statement of the nature of the application together with an abstract containing the material facts relative thereto and copies of the actuarial reports upon which such application is founded and deposit of the Bill for this Act for the inspection of the policy-holders and shareholders at the premises of the Office and in addition a print of the Bill for this Act has been transmitted to each policy-holder of the Office :

And whereas the purposes 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 Provident Life Office Act 1897. Short title.

2. If the directors of the Office shall adopt any scheme whereby the share of profits of holders of participating policies issued since the thirty-first day of December one thousand eight hundred and ninety-two would be distributed more evenly over the whole duration Further powers for distribution of profits.

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Office not
exempt from
provisions of
future
general Acts.

3. Nothing in this Act contained shall exempt the Office from the provisions of the Life Assurance Companies Acts 1870 to 1872 or of any other general Act passed during the present or any future Session of Parliament and affecting life assurance companies formed previously to the passing thereof.

Costs of Act.

4. The costs charges and expenses preliminary to and of and incidental to the preparing obtaining and passing of this Act shall be paid by the Office.

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