



Friendly Societies Act 1992

1992 CHAPTER 40

PART V

REGULATION OF FRIENDLY SOCIETIES' BUSINESS

[^{F1} Adequacy of assets and premiums]

[49A ^{F1} **Adequacy of assets.**

- (1) A friendly society to which section 37(2) or (3) above applies which has entered into contracts of insurance shall secure—
 - (a) that its liabilities under those contracts, other than liabilities in respect of linked benefits, are covered by assets of appropriate safety, yield and marketability having regard to the classes of business carried on; and
 - (b) without prejudice to the generality of paragraph (a) above, that its investments are appropriately diversified and adequately spread and that excessive reliance is not placed on investments of any particular category or description.
- (2) A friendly society to which section 37(2) above applies which has entered into a linked long term contract shall secure that, as far as practicable, its liabilities under the contract in respect of linked benefits are covered as follows—
 - (a) if those benefits under the contract are linked to the value of units in an undertaking for collective investments in transferable securities or to the value of assets contained in an internal fund, by those units or assets;
 - (b) if those benefits under the contract are linked to a share index or other reference value not mentioned in paragraph (a) above, by units which represent that reference value, or by assets of appropriate safety, yield and marketability which correspond, as nearly as may be, to the assets on which that reference value is based.
- (3) A friendly society to which section 37(2) above applies which has entered into a linked long term contract shall also secure that its liabilities under the contract in respect of linked benefits are covered by assets of a description prescribed by regulations under section 56 below.

Status: Point in time view as at 01/09/1994. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 49A. (See end of Document for details)

(4) In this section–

“linked benefits”, in relation to a linked long term contract, means benefits payable under the contract which are determined by reference to the value of or the income from property of any description (whether or not specified in the contract) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified);

“linked long term contract” means a contract the effecting of which constitutes the carrying on of insurance business falling within class III in head A in Schedule 2 to this Act.]

Textual Amendments

F1 [S. 49A](#) inserted (1.9.1994) by [S.I. 1994/1984](#) reg. 9

Status:

Point in time view as at 01/09/1994. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 49A.