



Industrial Assurance and Friendly Societies Act 1948

1948 CHAPTER 39

Amendments as to procedure and administration.

8 Premium receipt books.

- (1) A collecting society, and an industrial assurance company, shall provide premium receipt books for use in respect of policies of industrial assurance issued by the society or company, and shall cause a receipt for each payment in respect of such a policy or of two or more such policies to be inserted in such a book.
- (2) Regulations may be made by the Commissioner, subject to the approval of the Treasury signified by statutory instrument which shall be subject to annulment in pursuance of resolution of either House of Parliament, with respect to the form of books to be provided as aforesaid and to the use thereof and the insertion of receipts therein, and, without prejudice to the generality of this subsection, regulations made for the purposes thereof may provide for prohibiting or restricting in any prescribed circumstances the use of a single premium receipt book for payments in respect of two or more policies.

9 Liability on policies not to be restricted on grounds of health if proposer's knowledge and belief is properly disclosed.

- (1) Nothing in any term or condition of an industrial assurance policy issued after the passing of this Act or in the law relating to insurance shall operate to except the society or company from liability under such a policy, or to reduce the liability of the society or company under such a policy, on the ground of any matter relating to the state of health of the person upon whose life the assurance is taken out, other than the ground of the proposer's having, when making the proposal or thereafter and before the making of the contract, either—
 - (a) made an untrue statement of his knowledge and belief as regards that matter ;
 - or

(b) failed to disclose to the society or company something known or believed by him as regards that matter.

(2) In relation to a policy issued after the passing of this Act, subsection (4) of section twenty of the Act of 1923 (which relates to misstatements contained in certain proposal forms for industrial assurance policies) shall not apply to a misstatement concerning the state of health of the person upon whose life the assurance is to be taken out.

10 Obligations as to delivery of policies and of copies of rules and amendments thereof.

(1) A collecting society shall supply a member, free of charge, with the following, that is to say—

- (a) on his insuring with the society, with a printed policy signed by two of the committee of management and by the secretary, or, if the society has been granted a certificate under section ten of the Act of 1923 exempting it from the requirement imposed by this paragraph to supply a policy, with a copy of the rules of the society ;
- (b) on written demand by him if a copy of the rules of the society has not previously been supplied to him, with a copy of the rules of the society ;
- (c) on written demand by him if the rules of the society have been amended since he has been supplied with a copy thereof and a copy of the amendment has not previously been supplied to him, with a copy of the amendment;

and shall, on demand by him and on payment by him of such sum not exceeding one shilling as the society may require, supply a member to whom a copy of the rules of the society has been supplied with a further copy thereof.

(2) Where an amendment of the rules of a collecting society modifies the terms or conditions of any insurance issued by the society by way of increase of premiums or reduction of benefit, the society shall, within two months from the date on which the amendment is registered pursuant to section thirteen of the Act of 1896, either—

- (a) serve every member of the society with a notice containing a statement which, in the opinion of the Commissioner, sufficiently sets forth the effect of the amendment; or
- (b) publish such a statement by advertisement in two or more of the newspapers in general circulation in every county where the society carries on business.

A member served with a notice under paragraph (a) of this subsection shall be regarded for the purpose of the preceding subsection as if he had been supplied with a copy of the amendment in question.

(3) For the purposes of this section, a policy shall be deemed to be signed by a person if it bears a stamped, printed or lithographed reproduction of his signature placed thereon with his authority.

(4) Section nine of the Act of 1923, and the reference to that section in the First Schedule to that Act, are hereby repealed.

11 Matters to be set out in rules of collecting societies.

(1) Subsection (3) of section eight of the Act of 1923 (which requires the provisions of that Act mentioned in the First Schedule thereto to be set forth in the rules of collecting societies) shall extend to the following provisions, that is to say—

Subsections (2), (4) and (5) of section two of this Act	—Insurances on life of parent or grandparent : limit on amount, and prohibition of assignment or charge
Section eight of this Act	—Premium receipt books
Section nine of this Act	—Restriction of liability on policies on ground of health
Subsections (1) and (2) of section ten of this Act	—Obligations as to delivery of policies, and of copies of rules and amendments thereof
The First Schedule to this Act	—Death certificates in connection with payments referred to in section two (2) of this Act,

and shall have effect, both as regards those provisions and as regards the relevant provisions of the Act of 1923, subject to the modification that the rules may, if the Commissioner consents, in any case, and shall in the case of the provisions of the First Schedule to this Act, in lieu of setting out the provisions in question, contain a statement which, in the opinion of the Commissioner, sufficiently sets forth the effect thereof.

- (2) References to the above-mentioned provisions of this Act shall accordingly be inserted in the First Schedule to the Act of 1923.
- (3) The requirement imposed by subsection (3) of section eight of the Act of 1923 to set out provisions of that Act in rules shall, in the case of a provision which is amended by this Act, be construed as relating to that provision as so amended.
- (4) This section 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.

12 Matters to be set out in premium receipt books, and to be published.

- (1) Section twenty-one of the Act of 1923 (which requires the provisions of that Act mentioned in the Third Schedule thereto, or a statement setting forth the effect of those provisions, to be set out in policies of industrial assurance), and the said Third Schedule, shall cease to have effect, and subsections (3) and (4) of section three of the Act of 1929 (which require the provisions of that section, or a statement setting forth the effect of those provisions, to be set out in such policies and in premium receipt books) shall cease to have effect so far as they relate to the setting out in policies.
- (2) A collecting society, and an industrial assurance company, shall cause to be set out, in every premium receipt book provided by them after the coming into operation of this subsection for use in respect of policies of industrial assurance, the matters specified in the Third Schedule to this Act relating to the provisions mentioned in that Schedule of the Act of 1896, of the Act of 1923 and of this Act and of regulations made for the purposes of section eight of this Act.
- (3) The preceding provisions of this section 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 :

Provided that the last preceding subsection shall not come into operation as respects any regulations made under section eight of this Act until the expiration of six months from the date on which the regulations come into operation.

- (4) A collecting society, and an industrial assurance company, shall, at some time during such period as may be prescribed for the purposes of this subsection by order of the Treasury made by statutory instrument, publish by advertisement in one or more of the newspapers in general circulation in every county where the society or company carries on business a statement approved by the Commissioner as sufficiently setting forth the effect of the provisions of sections one, two and nine of this Act and of subsections (1) and (2) of section ten thereof, and of the effect of subsections (1) and (2) of section six of this Act and of section sixty-two of the Act of 1896 taken together :

Provided that such a society or company shall not be under obligation to comply with the preceding provisions of this subsection as respects any county if arrangements are made between the Commissioner and such societies and companies generally for the general publication by newspaper advertisement of such a statement, and such a statement is in accordance with those arrangements published during the said period in manner approved by the Commissioner as satisfying the purposes of this subsection as respects that county.

13 Returns as to industrial assurances.

- (1) A collecting society and an industrial assurance company shall, as respects each year as respects which they are required by the Commissioner in the prescribed manner so to do, send to him within such period as may be prescribed a return giving prescribed particulars as to policies of industrial assurance issued by the society or company which were in force at the beginning of that year, in force at the end of that year, issued during that year or discontinued or converted to free policies during that year.
- (2) A requirement under this section may be made either generally as to all such societies or companies, or as to any class thereof, or as to a particular society or company, and the regulations may prescribe different particulars to be given in the case of different societies or companies or classes thereof.
- (3) Section sixteen of the Act of 1923 (which authorises the Commissioner to reject returns under the Act of 1896 or the Assurance Companies Act, 1909, which are incomplete or incorrect or do not comply with the requirements of the Act applicable, and to give directions for the variation thereof) shall apply to returns under this section.
- (4) In this section the expression " year " means, in relation to a collecting society, a year ending on a thirty-first day of December, and, in relation to an industrial assurance company, a financial year of the company.

14 Requirements as to audit of accounts of registered societies.

- (1) Subject to the provisions of subsection (2) of this section a registered society not being a collecting society shall once at least in every year, beginning with the year nineteen hundred and fifty, submit its accounts for audit to one of the approved auditors appointed under section thirty of the Act of 1896 (as amended by section twenty of this Act) notwithstanding anything in subsection (1) of section twenty-six of that Act (which confers an option to have accounts audited either as aforesaid or by persons appointed in accordance with the rules of the society).

- (2) The option conferred by the said subsection (1) shall continue to be exercisable to the following extent and subject to the following provisions, that is to say—
- (a) the said option shall be exercisable as respects the year nineteen hundred and fifty in the case of a society whose members numbered less than five hundred on the thirty-first day of December, nineteen hundred and forty-nine, and whose assets were then of an aggregate value less than five thousand pounds, and it shall be exercisable also (but subject to the provisions of the next succeeding paragraph) as respects each subsequent year in the case of a society which has been entitled to exercise the said option as respects all preceding years and which satisfied the conditions aforesaid as to number of members and value of assets on the thirty-first day of December immediately before the beginning of the subsequent year in question ;
 - (b) provision may be made at any time or from time to time by regulations for limiting the exercise of the said option as respects any years subsequent to the year nineteen hundred and fifty, and subsequent to that in which the regulations are made, by substituting for the purposes of the preceding paragraph a prescribed number of members and value of assets being less (as to number or value or as to both) than that mentioned in the preceding paragraph or that prescribed by the regulations then last made, as the case may be, and substituting for the reference in the preceding paragraph to the thirty-first day of December, nineteen hundred and forty-nine, a reference to the thirty-first day of December in the year in which the regulations are made, and ultimately for rendering the said option no longer exercisable in the case of any society ; and
 - (c) the registrar may give a direction, in the case of any particular society which apart from the direction would be entitled to exercise the said option as respects any year, requiring it to submit its accounts in that year for audit to an approved auditor, and if (as he is hereby authorised to do) the registrar gives such a direction after the society has sent to him its annual return for the year in question, being a return stating that the audit therefor has been conducted by persons other than an approved auditor, he may also direct that the society shall, after its accounts have been audited by an approved auditor and within three months from receipt of the direction, send to him a further annual return complying with the requirements of section twenty-seven of the Act of 1896 (other than that as to time of sending).
- (3) Regulations for the purposes of the preceding subsection shall be made by the chief registrar, subject to the approval of the Treasury signified by statutory instrument which shall be subject to annulment in pursuance of resolution of either House of Parliament.
- (4) In subsection (1) of section thirty of the Act of 1896 (which, as amended by section twenty of this Act, after dealing with the appointment of approved auditors and public valuers, provides that their employment shall not be compulsory) the words " but the employment of those auditors and valuers shall not be compulsory " are hereby repealed :

Provided that the said repeal shall not be construed as rendering the employment of an approved auditor or public valuer compulsory in any case in which it would not otherwise be compulsory.

15 Amendments of registered societies' rules consequential on this Act.

- (1) The rules of a registered society shall be amended for the purpose of bringing them into conformity with the provisions of this Act, and amendments made for that purpose shall be sent to the registrar within one year from the day appointed for the coming into operation of section twenty-two of the National Insurance Act, 1946.
- (2) If the registrar is satisfied, and certifies, that amendments sent to him within the period required by virtue of the preceding subsection, or within such further time as the registrar may in special circumstances allow, are for the purpose of bringing the rules of a registered society into conformity with the provisions of this Act or for the purpose of enabling the society to exercise any power conferred by this Act, and have been approved by the committee, he may register the amendments notwithstanding that the provisions of the rules of the society as to the alteration of rules or the making of new rules have not been complied with, or (in the case of a friendly society formed and established before the fifteenth day of August, eighteen hundred and fifty) that the rules of the society do not make provision for the alteration thereof, and an amendment registered under this section, shall, unless it is for some other reason invalid, be valid notwithstanding as aforesaid.

16 Provisions as to offences.

- (1) Any registered society not being a collecting society which contravenes or fails to comply with any of the provisions of this Act, or of a direction given under section fourteen of this Act, shall be guilty of an offence under the Act of 1896, and, in the case of a contravention of subsection (2) of section two of this Act or of subsection (1) of section six thereof, shall be liable to a fine not exceeding fifty pounds:

Provided that such a society shall not be guilty of an offence under the Act of 1896 by reason of its insuring in contravention of subsection (2) of section two of this Act if it is proved that, owing to any false representation on the part of the proposer, the society did not know that the insurance was in contravention of that subsection.

- (2) Any collecting society or industrial assurance company which contravenes or fails to comply with any of the provisions of this Act, or of regulations made for the purposes of section eight thereof, shall be guilty of an offence under the Act of 1923 :

Provided that such a society or company shall not be guilty of an offence under the Act of 1923 by reason of its insuring in contravention of subsection (2) of section two of this Act if it is proved that, owing to any false representation on the part of the proposer, the society or company did not know that the insurance was in contravention of that subsection.

- (3) Any collector of a collecting society or industrial assurance company, or any other person, who contravenes or fails to comply with any of the provisions of regulations made for the purposes of section eight of this Act affecting such collector or other person shall be guilty of an offence under the Act of 1923.
- (4) Any society not being a registered society, and any trade union, which contravenes subsection (1) of section six of this Act shall be guilty of an offence under the Act of 1896 and shall be liable to a fine not exceeding fifty pounds.
- (5) Notwithstanding any limitation on the time for the taking of proceedings contained in any Act, summary proceedings for offences under the Act of 1896 may be commenced

at any time within one year of the first discovery thereof by the registrar, but not in any case after more than- three years from the commission of the offence :

Provided that this subsection shall not apply where the society by or in respect of which, or the person by or in respect of whom, the Offence is alleged to have been committed is a collecting society or an officer of such a society (for which cases corresponding provision is made by subsection (5) of section thirty-nine of the Act of 1923).