

1980 No. 1947

FRIENDLY SOCIETIES

**The Friendly Societies (Life Assurance Premium Relief)
(Change of Rate) Regulations 1980**

Made - - - - - 15th December 1980

Laid before Parliament 29th December 1980

Coming into Operation 20th January 1981

The Chief Registrar of Friendly Societies, pursuant to the powers conferred upon him by paragraph 13 of Schedule 4 of the Finance Act 1976(a) and to all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Friendly Societies (Life Assurance Premium Relief) (Change of Rate) Regulations 1980, and shall come into operation on 20th January 1981.

Interpretation

2. In these Regulations—

“the 1977 Regulations” means the Friendly Societies (Life Assurance Premium Relief) Regulations 1977(b);

“friendly society” means a friendly society, not being a collecting society, registered under the Friendly Societies Act 1974(c) or a branch so registered under that Act of a friendly society so registered;

“collecting society” has the meaning assigned by section 1 of the Industrial Assurance Act 1923(d) as amended by Schedule 6 to the Companies Act 1967(e);

“the prescribed scheme” means the scheme prescribed in Schedule 1 to the Friendly Societies (Life Assurance Premium Relief) Regulations 1977;

“an approved scheme” means a special scheme approved by the Chief Registrar of Friendly Societies in the circumstances provided for in regulation 7 of the Friendly Societies (Life Assurance Premium Relief) Regulations 1977;

“gross contribution” means the contribution of the amount payable under the contract;

“actuary” means an actuary having the qualifications which are prescribed by the Friendly Societies (Qualifications of Actuaries) Regulations 1968(f);

“the authorised percentage” means the percentage for the time being in force under paragraph 5(a) of Schedule 4 to the Finance Act 1976;

(a) 1976 c. 40.
(e) 1967 c. 81.

(b) S.I. 1977/1143.
(f) S.I. 1968/1481.

(c) 1974 c. 46.

(d) 1923 c. 8.

“the effective date” means the date on which a change in the authorised percentage takes effect;

“parent” includes a stepfather and a stepmother.

Amendment of a scheme

3.—(1) Where a friendly society has adopted the prescribed scheme or an approved scheme in accordance with the provisions of the 1977 Regulations the society may, by resolution of its committee of management passed within eight months of the passing of any Act making a change in the authorised percentage, amend any such scheme so that amounts equal to the authorised percentage of the gross contributions due and payable on or after the effective date under contracts to which the scheme applies shall be retained by or refunded to the persons paying the contributions.

(2) Where a friendly society has amended any such scheme, amounts equal to the authorised percentage of the gross contributions payable under contracts to which the scheme applies shall be retained by or refunded to the persons paying the contributions as provided in the scheme so amended.

(3) Written notice of a resolution amending the prescribed scheme or an approved scheme shall within fourteen days of the passing thereof be sent by the society to the Chief Registrar of Friendly Societies.

(4) Where a friendly society has resolved to amend the prescribed scheme or an approved scheme any right conferred by section 21 of the Friendly Societies Act 1974 on any person to receive a copy of the rules of the society shall be extended so as to include the right to receive a copy of the resolution and of the amended scheme adopted by the resolution.

Amendment of gross contribution

4.—(1) Where, by virtue of regulation 4 of the 1977 Regulations, a resolution adopting the prescribed scheme provided that the gross contribution was to be increased with effect from 6th April 1979 in respect of any specified class of contract, a resolution amending the prescribed scheme may also amend the gross contribution so that with effect from the effective date the gross contributions shall be amended to such sum as after deduction of the authorised percentage thereof equals the amount expressed in the contract to be the contribution.

(2) Where such an amendment is made, the resolution shall operate so as to effect the above mentioned amendment in the gross contribution payable under every contract of a class to which the provision relates, and the prescribed scheme as amended shall take effect accordingly.

Corresponding amendment to sum assured

5. Where a gross contribution has been amended under regulation 4, the sum assured or guaranteed by the contract may be amended by an amount determined in accordance with rules which have been certified by an actuary to be fair in relation to the gross contribution payable and have been approved by the Chief Registrar of Friendly Societies.

6. Where the gross contribution is amended in accordance with these Regulations, the Society shall, on being requested in writing after 5th April 1981 to do so by the person by whom the contribution is payable, notify him in writing of the amount of the effect of the amendment on the sum assured or guaranteed or of any other effect.

7. Where by virtue of regulation 6 of the 1977 Regulations a person insured under a contract irrevocably elected that the contribution under the contract under which he was insured should be increased with effect from 6th April 1979, the amendment to the gross contribution shall apply as from the effective date as if it had been effected under regulation 4(2), and regulations 5 and 6 shall apply in respect of an amended contribution under this regulation as they apply in relation to an amendment under regulation 4.

Amendment of approved scheme

8. Where a friendly society adopted an approved scheme under regulation 7 of the 1977 Regulations the Chief Registrar of Friendly Societies may, within eight months of the passing of any Act making a change in the authorised percentage, approve any amendment to the scheme which in his view is expedient or necessary to give effect to the change in the authorised percentage.

Notice or advertisement

9. Where a friendly society has, in accordance with the provisions of these regulations, amended the prescribed scheme or an approved scheme adopted by it, as soon as is reasonably practicable it shall either:

- (a) serve upon every person paying contributions to the society who is affected by the amendment a notice containing a statement setting out the effects thereof; or
- (b) publish or cause to be published such notice by advertisement in one or more newspapers in general circulation in the area where the society carries on business.

Amendment of rules

10. Notwithstanding anything contained in the rules of a friendly society which has amended the prescribed scheme or an approved scheme, the committee of management of the society may, by resolution passed before the effective date, make amendments to the rules of the society in connection with the amendment by the society of any such scheme.

Modification of enactments

11. The enactments mentioned in the Schedule to these Regulations shall have effect subject to the adaptations and modifications set out in that Schedule.

15th December 1980

K. Brading,
Chief Registrar of Friendly Societies.

SCHEDULE

Regulation 11

ADAPTATIONS AND MODIFICATIONS OF ENACTMENTS

THE INDUSTRIAL ASSURANCE AND FRIENDLY SOCIETIES ACT 1929(a)

1. In the Schedule to the Industrial Assurance and Friendly Societies Act 1929 the words "premiums actually paid" in their application to a policy in respect of which, under the prescribed scheme or an approved scheme, payment of any premium due has been discharged by payment of the net premium or the amended net premium, shall include premiums in respect of which such payment has been made.

2. In its application to a policy of which the sum assured or guaranteed has been increased under regulation 5 or 6 of the 1977 Regulations and the increase has been amended under regulation 5 or 7, paragraph 1 of the said Schedule shall have effect subject to the following modification:—

The amount assured by the free paid-up policy shall be computed and approved by an actuary in accordance with principles which take account of changes in the authorised percentage and which are approved by the Industrial Assurance Commissioner.

THE INDUSTRIAL ASSURANCE AND FRIENDLY SOCIETIES ACT 1948(b)

3. For the purpose of subsection (2) of section 2 of the Industrial Assurance and Friendly Societies Act 1948 (power to insure life of parent or grandparent for not more than £30) there shall be excluded so much of any sum insured to be paid, or paid, on the death of any one of a person's parents or grandparents as represents any increase in any sum assured or guaranteed effected under regulation 5 or 6 of the 1977 Regulations and amended under regulation 5 or 7.

FRIENDLY SOCIETIES ACT 1974

4. In applying the limits imposed by section 64 of the Friendly Societies Act 1974 (limits on amounts which a member, or person claiming through a member, of a registered friendly society is entitled to receive from one or more such societies) there shall be disregarded any increase in any sum assured or guaranteed which is effected under regulation 5 or 6 of the 1977 Regulations and amended under regulation 5 or 7.

5. For the purpose of section 72 of the Friendly Societies Act 1974 (power of registered friendly society to insure life of parent or grandparent for not more than £30) there shall be excluded so much of any sum insured to be paid, or paid, on the death of any one of a person's parents or grandparents as represents any increase in any sum assured or guaranteed which is effected under regulation 5 or 6 of the 1977 Regulations and amended under regulation 5 or 7.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations authorise registered friendly societies (other than collecting societies) and their branches to amend prescribed or approved schemes adopted by them in accordance with the Friendly Societies (Life Assurance Premium Relief) Regulations 1977 so that relief under section 19 of the Income and Corporation Taxes Act 1970 (1970 c.10) in respect of contributions due on or after 6th April 1981 on friendly society contracts may be effected by the contribution payer regaining or having refunded to him the authorised percentage of the contribution payable.

The Regulations make consequential adaptations and modifications to enactments relating to friendly societies.

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