

SCHEDULES

SCHEDULE 6

RULES FOR VALUING POLICIES AND FOR ASCERTAINING THE AMOUNT OF A FREE PAID-UP POLICY

PART I

RULES FOR VALUING POLICIES

1. The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus added thereto, and the present value of the future net premium.

2. Subject to paragraphs 3 to 5, the net premium is to be such premium as, according to the assumed rate of interest and rate of mortality and the age of the person whose life is assured at his birthday next following the date of the policy, is sufficient to provide for the risk incurred by the collecting society or industrial assurance company in issuing the policy, exclusive of any addition thereon for office expenses and other charges.

3. In the case of a policy, other than a policy for the whole term of life issued before the person whose life is assured attained the age of 10 years, the date of the policy may be assumed to be one year after the actual date, and, if it is so assumed, the term of the policy may be assumed to be one year less than the actual term.

4. In the case of a policy for the whole term of life issued before the person whose life is assured attained the age of 10 years, account shall not be taken of any period for which the policy was in force before the anniversary of the date of issue of the policy next preceding the date on which the age of 11 years was attained.

5. In the case of a substituted policy, the net premium shall be calculated with reference to such sum as, according to the practice of the collecting society or industrial assurance company for the time being, would have been assured by the premium payable, if the person upon whose life the substituted policy is issued had not been assured with the society or company before the issue of that policy.

Changes to legislation:

Industrial Assurance (Northern Ireland) Order 1979, PART I is up to date with all changes known to be in force on or before 02 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Order associated Parts and Chapters:

- Act revoked by [2000 c. 8 s.416\(2\)](#)