



Friendly Societies Act 1984

1984 CHAPTER 62

An Act to validate certain contracts of insurance entered into by registered friendly societies before 1st June 1984 and to modify, with both, retrospective and prospective effect, provisions relating to the financial limits in section 64 of the Friendly Societies Act 1974 and section 332 of the Income and Corporation Taxes Act 1970.
[20th December 1984]

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:—

1 Validation of certain contracts.

- (1) The provisions of this section apply to a contract—
 - (a) which was entered into by an exempt new friendly society in the course of life or endowment business; and
 - (b) which was so entered into after 3rd May 1966 and before 1st June 1984.
- (2) In this section an " exempt new friendly society " means a friendly society—
 - (a) which was registered after 3rd May 1966 or which was registered in the period of three months ending on that date but which at no time earlier than that date carried on any life or endowment business ; and
 - (b) the rules of which, on 1st June 1984, provided that the only life or endowment business which the society might carry on was business of a description falling within any of paragraphs (a) to (c) of subsection (2) of section 333 of the Income and Corporation Taxes Act 1970 or within any two or all three of those paragraphs taken together.
- (3) In determining any question as to compliance by an exempt new friendly society with the relevant enactments or as to the validity of any contract to which this section applies, there shall be disregarded any term of such a contract which is set out otherwise than in—
 - (a) the registered rules of the society ; or

Status: This is the original version (as it was originally enacted).

- (b) a policy document issued by the society to the member concerned.
- (4) In subsection (3) above " the relevant enactments" means—
 - (a) subsections (3)(a) and (3A) of section 7 of the Friendly Societies Act 1974 (societies which may be registered) ;
 - (b) paragraphs (a) and (b) of subsection (1) of section 64 of that Act (maximum benefits); and
 - (c) any enactment which was repealed by that Act and which contained provisions re-enacted in any of the provisions referred to in paragraphs (a) and (b) above.
- (5) In this section " life or endowment business" has the meaning assigned to it by section 337(2) of the Income and Corporation Taxes Act 1970.

2 **Maximum benefits.**

- (1) Section 64 of the Friendly Societies Act 1974 (maximum benefits) shall have effect, and be deemed always to have had effect, with the modifications in subsections (2) and (3) below.
- (2) In subsection (1) (financial limits)—
 - (a) the words from the beginning to " through " shall be omitted;
 - (b) for the words " receive from" there shall be substituted the words " have at any time outstanding contracts with " ;
 - (c) after the words " United Kingdom)" there shall be inserted the words " for the assurance of " ; and
 - (d) paragraphs (c) and (d) (the taxable business limits) shall be omitted.
- (3) In subsection (2) (matters to be disregarded in applying the limits) in paragraph (a) (bonus or addition declared upon assurance of a gross sum or annuity)—
 - (a) after the word " addition " there shall be inserted the words " which either is " ; and
 - (b) at the end there shall be added the words " or accrues upon such an assurance by reference to an increase in the value of any investments " .
- (4) Subsection (3) of section 332 of the Income and Corporation Taxes Act 1970 (which contains provision corresponding to that referred to in subsection (3) above with respect to disregarding a bonus or addition) shall have effect and be deemed always to have had effect as if—
 - (a) after the word " addition " there were inserted the words " which either is " ; and
 - (b) after the word " annuity " there were inserted the words " or accrues upon such an assurance by reference to an increase in the value of any investments " .
- (5) In consequence of the modifications in subsection (2; above, the following provisions shall cease to have effect—
 - (a) subsections (3) to (5) of section 64 of the Friendly Societies Act 1974;
 - (b) the definition of " mortgage protection policy " in subsection (8) of, that section ; and
 - (c) section 65(1) of that Act.
- (6) In subsection (6) of section 64 of the Friendly Societies Act 1974 (statutory declaration as to total entitlement under existing contracts) for the words " to which that member

or person is entitled from " there shall be substituted the words "assured under outstanding contracts entered into by that member with any " .

- (7) With respect to any time prior to the coming into force of any of the enactments referred to in subsections (2) to (4) above, the like modifications as are made to that enactment by those subsections shall be deemed always to have been made to any earlier enactment the provisions of which are re-enacted in the enactment so referred to.

3 Corresponding provision for Northern Ireland.

An Order in Council under paragraph 1(1)(b) of Schedule 1 to the Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which contains a statement that it is made only for purposes corresponding to the purposes of this Act—

- (a) shall not be subject to sub-paragraphs (4) and (5) of paragraph 1 of that Schedule (affirmative resolution of both Houses of Parliament; but
- (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

4 Short title and extent.

- (1) This Act may be cited as the Friendly Societies Act 1984.
- (2) Section 1 and subsections (1) to (3) and (5) and (6) of section 2 of this Act do not extend to Northern Ireland.
- (3) Her Majesty may by Order in Council direct that sections 1 and 2 of this Act shall extend to the Isle of Man or any of the Channel Islands with such adaptations and modifications, if any, as may be specified in the Order.