



Friendly Societies Act 1992

1992 CHAPTER 40

PART X

GENERAL AND SUPPLEMENTARY

Interpretation

117 Insurance business etc.

(1) For the purposes of this Act—

“annual contribution income” means, in relation to a friendly society’s long term business, the income of the society in a financial year without any deduction for reinsurance cessions;

[^{F1}“commitment” means, in relation to a friendly society to which section 37(2) applies, a commitment represented by insurance business of any class of Head A of Schedule 2 to this Act;]

“insurance business” means long term business and general business but does not include the operations of a society whose benefits vary according to the resources available and which require each of its members to contribute on a flat-rate basis;

[^{F2}“direct insurance business” means insurance business other than reinsurance business and “direct insurance” shall be construed accordingly;]

“long term business” means insurance business of any of the classes specified in head A of Schedule 2 to this Act; and

“general business” means insurance business of any of the classes specified in head B of that Schedule.

(2) For the purposes of any provision of Parts IV, V, VI and VIII of this Act, unless the context otherwise requires—

- (a) references to insurance business include references to reinsurance business; and

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Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 117. (See end of Document for details)

- (b) reinsurance business consisting of the effecting and carrying out of a contract of reinsurance of risks of any class shall be taken to constitute the carrying on of insurance business of that class;
- and “reinsurance business” means the effecting and carrying out of contracts of reinsurance.
- (3) For the purposes of this Act the effecting and carrying out of a contract whose principal object is within one class of insurance business, but which contains related and subsidiary provisions within another class or classes, shall be taken to constitute the carrying on of insurance business of the first-mentioned class, and no other, if subsection (4) or (5) below applies to the contract.
- (4) This subsection applies to a contract whose principal object is within any class of long term business, but which contains subsidiary provisions within general business class 1 or 2, if the society concerned is authorised under section 32 above to carry on long term business class I.
- (5) This subsection applies to a contract whose principal object is within one of the classes of general business but which contains subsidiary provisions within another of those classes.
- [^{F3}(6) In relation to a contract of insurance entered into by a person on any date with a friendly society to which section 37(3) above applies the effecting of which constitutes general business, or a contract of insurance entered into by a person on any date with a friendly society to which section 37(2) above applies the effecting of which constitutes long term business, references in this Act to the [^{F4}member or EEA State] where the risk or commitment is situated shall be construed as follows—
- (a) where that person is an individual, as references to the [^{F4}member or EEA State] where he has his habitual place of residence on that date; and
- (b) in any other case, as references to the [^{F4}member or EEA State] where the establishment of that person to which the contract relates is situated on that date.
- (7) In relation to any other contract of insurance with a friendly society, references in this Act to the member State where the risk is situated shall be construed as references to the member State where the person who has entered into the contract has his habitual place of residence.]
- [^{F5}(8) In this Act references, in relation to a friendly society to which section 37(2) or (3) above applies, to the provision of insurance in the United Kingdom or any other EEA State are references to either or both of the following—
- (a) the covering (otherwise than by way of reinsurance) of a risk situated there through an establishment in another EEA State (“the provision of general insurance”); and
- (b) the covering (otherwise than by way of reinsurance) of a commitment situated there through an establishment in another EEA State (“the provision of long term insurance”).
- (9) In this Act “establishment”, in relation to a friendly society to which section 37(2) or (3) above applies, means the registered office or an overseas branch of the society.

Any permanent presence of such a society in an EEA State other than the United Kingdom shall be regarded for those purposes as a single overseas branch, whether that presence consists of a single office which, or two or more offices each of which—

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- (a) is managed by the society's own staff;
- (b) is an agency of the society; or
- (c) is managed by a person who is independent but has permanent authority to act for the society in the same way as an agency.]

Textual Amendments

- F1** Definition in s. 117(1) inserted (1.1.1994) by [S.I. 1993/2519, reg. 7\(1\)](#)
- F2** Definition in s. 117(1) added (1.9.1994) by [S.I. 1994/1984 reg. 29\(1\)](#)
- F3** [S. 117\(6\)\(7\)](#) substituted (1.1.1994) for s. 177(6) by [S.I. 1993/2519, reg. 7\(2\)](#)
- F4** [S. 117\(6\)](#) words substituted (1.9.1994) by [S.I. 1994/1984 reg. 29\(2\)](#)
- F5** [S. 117\(8\)\(9\)](#) inserted (1.9.1994) by [S.I. 1994/1984 reg. 29\(3\)](#)

Commencement Information

- I1** [Ss. 116-119](#) wholly in force at 8.6.1992 see [s. 126\(2\)](#) and [S.I. 1992/1325, art. 2\(c\)](#).

Status:

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Changes to legislation:

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