



# 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;

[<sup>F1</sup>“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 [<sup>F2</sup>, except for the purposes of sections 87 and 88 above,] 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;

[<sup>F3</sup>“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)*

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(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.

<sup>F4</sup>(6) .....

<sup>F5</sup>(7) .....

<sup>F6</sup>(8) .....

<sup>F7</sup>(9) .....

#### Textual Amendments

- F1** Definition in s. 117(1) inserted (1.1.1994) by [S.I. 1993/2519, reg. 7\(1\)](#)
- F2** Words in definition in s. 117(1) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617, arts. 2, 8\(1\), 13\(1\), Sch. 3 para. 114](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538, art. 2\(1\)](#)
- F3** Definition in s. 117(1) added (1.9.1994) by [S.I. 1994/1984, reg. 29\(1\)](#)
- F4** [S. 117\(6\)](#) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **11**; 2020 c. 1, Sch. 5 para. 1(1)
- F5** [S. 117\(7\)](#) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **11**; 2020 c. 1, Sch. 5 para. 1(1)
- F6** [S. 117\(8\)](#) repealed (1.12.2001) by [S.I. 2001/3649, arts. 1, 205\(1\)](#)
- F7** [S. 117\(9\)](#) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **11**; 2020 c. 1, Sch. 5 para. 1(1)

#### Commencement Information

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

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 117.