



Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951

1951 CHAPTER 65 14 and 15 Geo 6

PART VI **E+W+S**

PROTECTION AGAINST LOSS OF BENEFITS UNDER CONTRACTS WITH INDUSTRIAL ASSURANCE COMPANIES AND FRIENDLY SOCIETIES

54 **Protection of life policies (industrial assurance, and collecting societies).** **E+W+S**

- (1) This section applies to—
- policies of industrial assurance; and
 - policies of assurance upon human life effected [^{F1}before 1st December 2001] with collecting societies other than policies of industrial assurance.

[^{F2}(1A) In subsection (1), “collecting society” means a friendly society which, at the time when the policy in question was effected, carried on industrial assurance business within the meaning of section 1 of the Industrial Assurance Act 1923.]

- (2) In this Part of this Act the expression “relevant premium”, used in relation to a given period of relevant service, means an unpaid premium as to which the following conditions are fulfilled, that is to say, that it fell due either—
- during that period of service or within the following additional period from the ending thereof, that is to say, three months or twice the duration of the period of service, whichever is the shorter, or
 - before the beginning of that period of service on a policy which was in force immediately before the beginning thereof,

and that at the beginning of the period of service one year’s premiums or more had been paid on the policy on which it fell due.

- (3) A policy to which this section applies shall not be forfeited after the commencement of this Act by reason of non-payment of any premium if either—

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- (a) on an application for relief duly made under subsection (4) of this section after the non-payment occurred, relief from forfeiture in respect of the non-payment of it is granted thereunder; or
 - (b) it falls due whilst a period of protection for the policy under this section is current.
- (4) Where under section twenty-three of the ^{M1}Industrial Assurance Act 1923 (which requires notice before forfeiture by reason of non-payment of premium) a notice relating to a relevant premium or premiums either—
- (a) is served after the commencement of this Act, or
 - (b) has been served before the commencement of this Act but the policy has not been forfeited at the commencement thereof,

if the owner of the policy or any other person on his behalf duly makes an application to the company or society for relief under this subsection and it appears on such an application that the owner of the policy, whether the service man or another, is unable to pay the amount stated in the notice as due by reason of circumstances directly or indirectly attributable to the service man's performing the period of relevant service, or, if it has ended, to his having performed it, the company or society shall grant relief in respect of the non-payment of the premium or premiums to which the notice relates, and, if the relief is granted after the ending of the additional period referred to in subsection (2) of this section, in respect of any other relevant premium or premiums fallen due on the policy since the notice was served:

Provided that if the notice, being served after the ending of the said additional period, relates to any premium not being a relevant premium as well as to the relevant premium or premiums, relief shall be granted in respect only of the relevant premium or premiums, but in a case in which relief is granted and this proviso takes effect a further notice shall be required under and by virtue of the said section twenty-three before forfeiture of the policy by reason of default in payment of any premium excluded from the relief by this proviso.

An application for relief under this subsection must be made within twenty-eight days from the date of the serving of the notice if served after the commencement of this Act or within three months from such commencement if it was served theretofore, so however that, if the date of the serving of the notice was before the beginning of the period of relevant service, an application under this subsection shall be deemed to be made in due time if it is made within twenty-eight days from the beginning of that period.

- (5) Where such a notice has been served before the commencement of this Act and the policy has been forfeited at the commencement thereof, if the owner of the policy or any other person on his behalf within three months from the commencement of this Act duly makes an application to the company or society for reinstatement of the policy and it appears on such an application that there was at the expiration of the time for payment limited by the notice the like inability to pay as is mentioned in the last preceding subsection, the company or society shall grant the application:

Provided that if the notice, having been served after the ending of the additional period referred to in subsection (2) of this section, related to any premium not being a relevant premium as well as to the relevant premium or premiums, the company or society shall not be under obligation to reinstate the policy unless the premium or premiums other than relevant premiums are paid within twenty-eight days from the time when the granting of the application is notified.

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- (6) Where under the preceding provisions relief from forfeiture is granted, or a policy is reinstated, during the period of relevant service in question or the additional period referred to in subsection (2) of this section, the company or society shall fix a period of protection for the policy.
- (7) Where a period of protection for a policy has been fixed the company or society shall extend it from time to time on application being duly made by or on behalf of the owner of the policy if it appears that the period of service in question or the additional period referred to in subsection (2) of this section has not ended, subject however to the next succeeding subsection.
- (8) The company or society may at any time terminate a period of protection which is then current, or may refuse an application made at any time for extension of such a period, if it appears that the owner of the policy for which the period was fixed is no longer unable to pay the premiums thereon by reason of such circumstances as are mentioned in subsection (4) of this section, and they may at any time shorten a period of protection which is then current if it then appears that it will extend beyond the ending of the additional period referred to in subsection (2) of this section, and may terminate a period of protection which remains current after the ending of the said additional period.
- (9) [^{F3}A complaint may be made to the ombudsman scheme in relation to] any refusal by a company or society to grant under this section relief from forfeiture, or an application for reinstatement, and from any termination or shortening by them of a period of protection and from any decision of theirs as to the length of time for which a period of protection is to be fixed or extended; and, [^{F4}where an ombudsman determines a complaint in favour of the complainant] in circumstances in which a period of protection is required to be fixed or extended, the length of it shall be determined by him instead of by the company or society.

[^{F5}A complaint to the ombudsman scheme made under this subsection is to be treated as if it were a complaint to which the voluntary jurisdiction of the scheme applies, and the scheme operator may make such adaptations of the voluntary jurisdiction rules as appear to it to be necessary in the circumstances for the determination of a complaint made under this subsection.]

[^{F6}(9A) For the purposes of subsection (9)—

“voluntary jurisdiction of the scheme” has the meaning given in section 227(12) of the Financial Services and Markets Act 2000, and

“voluntary jurisdiction rules” has the meaning given in section 227(3) of that Act.”.]

Textual Amendments

- F1** Words in s. 54(1)(b) inserted (1.12.2001) by S.I. 2001/3647, art. 5, Sch. 3 Pt. I para. 2(2) (with art. 6)
- F2** S. 54(1A) inserted (1.12.2001) by S.I. 2001/3647, art. 5, Sch. 3 Pt. I para. 2(3)
- F3** Words in s. 54(9) substituted (1.12.2001) by S.I. 2001/3647, art. 5, Sch. 3 Pt. I para. 2(4)(a) (with art. 6)
- F4** Words in s. 54(9) substituted (1.12.2001) by S.I. 2001/3647, art. 5, Sch. 3 Pt. I para. 2(4)(b) (with art. 6)
- F5** Para. in s. 54(9) substituted (1.12.2001) by S.I. 2001/3647, art. 5, Sch. 3 Pt. I para. 2(4)(c) (with art. 6)
- F6** S. 54(9A) inserted (1.12.2001) by S.I. 2001/3647, art. 5, Sch. 3 Pt. I para. 2(5) (with art. 6)

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Marginal Citations

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