
STATUTORY INSTRUMENTS

1977 No. 1143

**The Friendly Societies (Life Assurance
Premium Relief) Regulations 1977**

Citation and Commencement

1. These Regulations may be cited as the Friendly Societies (Life Assurance Premium Relief) Regulations 1977, and shall come into operation on 18th August 1977.

Interpretation

2.—(1) In these Regulations—

“friendly society” means a friendly society, not being a collecting society, registered under the Friendly Societies Act 1974 or a branch so registered under that Act of a friendly society so registered;

“collecting society” has the meaning assigned by section 1 of the Industrial Assurance Act 1923 as amended by Schedule 6 to the Companies Act 1967;

“friendly society contract” means a contract made by a friendly society with a member of the society in the course of its business in Great Britain, whether contained in the rules of the society or not;

“the prescribed scheme” means the scheme prescribed in Schedule 1 to these Regulations;

“an approved scheme” means a special scheme approved by the Chief Registrar of Friendly Societies in the circumstances provided for in regulation 7 of these Regulations;

“actuary” means an actuary having the qualifications which are prescribed by the Friendly Societies (Qualifications of Actuaries) Regulations 1968;

“net contribution” has the meaning assigned in paragraph 3 of Schedule 1 to these Regulations;

“gross contribution” means the contribution of the amount payable under the contract;

“parent” includes a stepfather or stepmother.

(2) The rules for the construction of Acts of Parliament contained in the Interpretation Act 1889 shall apply for the purposes of the interpretation of these Regulations.

Adoption of a scheme

3.—(1) A friendly society may by resolution of its committee of management passed before 1st October 1978 adopt—

- (a) the prescribed scheme, or
- (b) an approved scheme

for the purpose of securing that in the case of friendly society contracts to which the scheme so adopted applies amounts equal to 17½ per cent of the contributions payable are retained by or refunded to the persons paying the contributions.

(2) Where a friendly society has adopted any such scheme amounts equal to 17½ per cent of the contributions payable under contracts to which the scheme applies shall be retained by or refunded to the persons paying the contributions as provided in the scheme so adopted.

(3) Written notice of a resolution adopting the prescribed or an approved scheme shall within fourteen days of the passing thereof be sent by the society to the Chief Registrar of Friendly Societies.

(4) Where a friendly society has resolved to adopt the prescribed or an approved scheme any right conferred by section 21 of the Friendly Societies Act 1974 on any person to receive a copy of the rules of the society shall be extended so as to include the right to receive a copy of the resolution and of the scheme adopted by the resolution.

Increase in contribution

4.—(1) A resolution adopting the prescribed scheme may provide that in respect of any specified class of contract made by the society before 6th April 1979 to which the scheme applies under which the contribution does not exceed £4 every four weeks the contribution shall be increased with effect from that date to such sum as after deduction of 17½ per cent thereof equals the amount expressed in the contract to be the contribution.

(2) Where such provision is made the resolution shall operate so as to effect the above mentioned increase in the contribution payable under every contract of a class to which the provision relates, and the prescribed scheme shall take effect accordingly.

Corresponding increase in sum assured

5.—(1) Where an increase in contribution has been effected under regulation 4 the sum assured or guaranteed by the contract under which the increased contribution is payable shall be increased by an amount determined in accordance with rules which have been certified by an actuary to be fair in relation to the increased contribution payable and have been approved by the Chief Registrar of Friendly Societies.

(2) Where the sum assured or guaranteed by a contract is increased by virtue of the preceding paragraph the society shall on being requested in writing to do so by the person by whom the increased contribution is payable notify him in writing of the amount of the increase in the sum assured or guaranteed.

6.—(1) Where a friendly society has adopted the prescribed scheme by a resolution making such provision as is referred to in regulation 4(1) the member insured under a contract of a class specified in the provision which was made before 6th April 1979 and under which the contribution exceeds £4 every four weeks may before that date irrevocably elect, in the form set out in Schedule 2 to these Regulations or in a form to the like effect, that the contribution payable under the contract under which he is insured shall be increased with effect from 6th April 1979 to such sum as is mentioned in regulation 4(1).

(2) Where such election has been made the increase in contribution shall be effective as from 6th April 1979 as if it had been effected under regulation 4(2), and regulation 5 shall apply in respect of an increase in contribution under this regulation as it applies in relation to an increase under regulation 4.

Approved Schemes

7. The Chief Registrar of Friendly Societies may before 1st October 1978 approve a special scheme intended to be adopted by a friendly society for the purposes mentioned in regulation 3 if

in his opinion in view of the manner in which the business of the society is conducted, or any other relevant matter, it is expedient that the special scheme should be adopted.

Notice to contribution payers

8. Every friendly society which carries on life or endowment business shall take all reasonable steps to ensure that every person who on 31st December 1978 is paying contributions under a friendly society contract which forms part of such business receives a notice in a form approved by the Chief Registrar of Friendly Societies setting out—

- (a) the effect of these Regulations,
- (b) whether the society has adopted the prescribed or an approved scheme, and
- (c) the effect of the scheme which has been adopted;

and, as regards contracts made between 1st January 1979 and 5th April 1979, that such notice is received by the prospective contribution payer before the contract is made.

Amendment of rules

9. Notwithstanding anything contained in the rules of a friendly society which has adopted the prescribed scheme or an approved scheme, the committee of management of the society may by resolution passed before 6th April 1979 make amendments to the rules of the society in connection with the adoption by the society of any such scheme.

Modification of enactments

10. The enactments mentioned in Schedule 3 to these Regulations shall have effect subject to the adaptations and modifications set out in that Schedule.

7th July 1977

K. Brading
Chief Registrar of Friendly Societies