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STATUTORY INSTRUMENTS

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**1993 No. 2520**

**The Friendly Societies (Insurance  
Business No. 2) Regulations 1993**

**PART IV**

**VALUATION OF ASSETS**

**Shares in and debts due or to become due from dependants**

**21.**—(1) The value of any share in a dependant of a society shall be not greater than that part of the net asset value of the dependant which would be payable in respect of the share if the dependant were in liquidation and the net asset value were the amount distributable to the shareholders in the winding up.

(2) In this regulation, “net asset value” means, in relation to a dependant, the amount by which the value of its assets, as determined in accordance with regulation 22 below, exceeds the amount of its liabilities as determined in the case of a dependant which is an insurance company, in accordance with regulation 22.

(3) The value of any debt due, or to become due, to a society from a dependant (other than a debt to which regulation 23(2) or (3) below applies) shall be the amount which would reasonably be expected to be recovered in respect of that debt (due account being taken of any security held in respect thereof) if the dependant were in liquidation and—

- (a) in the case of a dependant which is an insurance company, the amount realised from its assets and the amount of its liabilities in the liquidation were equal to the value of those assets and the amount of those liabilities, as determined in accordance with regulation 22 below, and
  - (b) in the case of a dependant which is not an insurance company, the amount realised from its assets in the liquidation were equal to the value of those assets, as determined in accordance with regulation 22.
- (4) Any share in a dependant—
- (a) in which there is no excess of assets over liabilities as is mentioned in paragraph (2) above, or
  - (b) in relation to which a society cannot reasonably ascertain the amount of the liabilities of the dependant for the purposes of paragraph (2),

shall be left out of account for the purposes for which this Part of these Regulations applies.

(5) Where a society is unable to determine the value of any debt due or to become due to the society from a dependant because the society cannot reasonably ascertain the amount of the liabilities of the dependant for the purpose of ascertaining what would reasonably be expected to be recovered in respect of that debt in accordance with paragraph (3) above, the debt shall be left out of account for the purposes for which this Part of these Regulations applies.