
STATUTORY INSTRUMENTS

1993 No. 98

The Friendly Societies (Insurance Business) Regulations 1993

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Friendly Societies (Insurance Business) Regulations 1993, and shall come into force on 19th February 1993.

Interpretation: general

2.—(1) In these Regulations, unless the context otherwise requires—

“the 1974 Act” means the Friendly Societies Act 1974⁽¹⁾;

“the 1982 Act” means the Insurance Companies Act 1982⁽²⁾;

“the 1992 Act” means the Friendly Societies Act 1992;

“the 1981 Regulations” means the Insurance Companies Regulations 1981⁽³⁾;

“the 1987 Regulations” means the Friendly Societies (Long Term Insurance Business) Regulations 1987⁽⁴⁾;

“cede” and “cession”, in relation to reinsurance, include retrocede and retrocession;

“the Commission” means the Friendly Societies Commission established by section 1 of the 1992 Act;

“deposit back arrangement”, in relation to any contract of reinsurance, means an arrangement whereby an amount is deposited by the reinsurer with the cedant;

“guarantee fund” has the meaning given in regulation 5(1) below;

“implicit items” has the meaning given by regulation 8(3) below and “implicit item” shall be construed accordingly;

“industrial assurance business” has the meaning given in section 1(2) of the Industrial Assurance Act 1923⁽⁵⁾;

“insurance company” means a person or body of persons (whether incorporated or not) carrying on insurance business other than a friendly society;

“linked long term contract” means a contract of the kind referred to in section 56(1) of the 1992 Act;

(1) 1974 c. 46.

(2) 1982 c. 50.

(3) S.I.1981/1654 amended by S.I. 1981/1655, 1982/675, 1983/48, 1983/396, 1985/1419, 1987/2130, 1988/673, 1990/1181, 1990/1333, 1991/1999, 1991/2511, 1992/445, 1992/2890.

(4) S.I. 1987/2132.

(5) 1923 c. 8.

“mathematical reserves” means the provision made by a society to cover liabilities (excluding liabilities which have fallen due and liabilities arising from deposit back arrangements) arising under or in connection with contracts for long term business;

“minimum guarantee fund” has the meaning given in regulation 5(2) below;

“ordinary long term business” means long term business that is not industrial assurance business;

“premium” includes a contribution in respect of an insurance benefit and the consideration for the granting of an annuity;

“required margin of solvency” has the meaning given in regulation 4(2) below;

“Schedule” means Schedule to these Regulations;

“society” means a society which is an incorporated friendly society;

“zillmerising” has the meaning given by regulation 10(7) below.

(2) Unless the context otherwise requires, expressions used in these Regulations which are defined in section 116, 117, 119 or in any other provision of the 1992 Act shall have the same meanings as they have for the purposes of that Act.

(3) Any reference in these Regulations to a financial year or preceding financial year of a friendly society shall be construed—

- (a) in the case of an incorporated friendly society which was not formerly a registered friendly society, in accordance with section 118 of the 1992 Act; and
- (b) in the case of an incorporated friendly society which was formerly a registered friendly society, as referring to a period of 12 months ending with 31st December during which period the friendly society was—
 - (i) a registered friendly society;
 - (ii) an incorporated friendly society; or
 - (iii) registered as an incorporated friendly society.

(4) References to societies to which any specified Part of these Regulations applies are references to the societies expressly deemed by such Part to be societies to which that Part applies and no others.