
STATUTORY INSTRUMENTS

1994 No. 1981

The Friendly Societies (Insurance Business) Regulations 1994

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Friendly Societies (Insurance Business) Regulations 1994, and shall come into force on 1st September 1994.

Interpretation: general

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

“the 1982 Act” means the Insurance Companies Act 1982⁽¹⁾;

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

“the 1987 Regulations” means the Friendly Societies (Long Term Insurance Business) Regulations 1987⁽²⁾;

“the 1994 Regulations” means the Insurance Companies Regulations 1994⁽³⁾;

“authorisation” has the same meaning as it has in Part IV of the 1992 Act by virtue of section 32(9) of that Act, and “authorised” shall be construed accordingly;

“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;

“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;

“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;

(1) 1982 c. 50.

(2) S.I.1987/2132.

(3) S.I. 1994/1516.

“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 either an incorporated friendly society or a registered friendly society;

“the Stock Exchange” means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

“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 a registered friendly society or 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 or is—

(i) a registered friendly society;

(ii) an incorporated friendly society; or

(iii) registered as an incorporated friendly society; or

as referring to such shorter period than 12 months ending with the date as at which the incorporated friendly society makes up its final accounts.