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STATUTORY INSTRUMENTS

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**1994 No. 1984**

**The Friendly Societies Act 1992  
(Amendment) Regulations 1994**

**PART IV**

**REGULATION OF BUSINESS**

*Financial resources*

**Adequacy of premiums in respect of long term insurance**

**10.** After section 49A of the 1992 Act insert—

**“Adequacy of premiums in respect of long term insurance.**

**49B.**—(1) Before entering into a contract the effecting of which constitutes the carrying on of long term business, a friendly society to which section 37(2) above applies shall satisfy itself that the aggregate of—

- (a) the premiums payable under the contract and the income which will be derived from them; and
- (b) any other resources of the society which are available for the purpose,

will be sufficient, on reasonable actuarial assumptions, to meet all commitments arising under or in connection with the contract.

(2) A friendly society to which section 37(2) above applies shall not rely on other resources for the purposes of subsection (1) above in such a way as to jeopardise the solvency of the society in the long term.”.