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STATUTORY INSTRUMENTS

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**1996 No. 3008**

**FRIENDLY SOCIETIES**

**The Friendly Societies (Insurance  
Business) (Amendment) Regulations 1996**

*Made - - - - 6th December 1996*  
*Laid before Parliament 9th December 1996*  
*Coming into force 30th December 1996*

**THE FRIENDLY SOCIETIES (INSURANCE  
BUSINESS) (AMENDMENT) REGULATIONS 1996**

1. Citation, commencement and general
2. Localisation
3. Exclusions from regulations 13 to 17
4. Interpretation: Part IV
5. For paragraphs (3) and (4) of regulation 19 substitute—
6. Application: Part IV
7. Valuation of assets and liabilities of dependants for the purposes of regulation 21
8. Assets sold to or purchased from an approved credit institution or an approved investment firm subject to an agreement for resale or repurchase
9. Debts and other rights
10. Securities and beneficial interests in limited partnerships (substitution for regulation concerning unlisted securities)
11. Beneficial interests in collective investment schemes (substitution for regulation concerning unit trusts)
12. Deferred acquisition costs (substitution for regulation concerning listed investments)
13. Derivative contracts
14. Contracts and assets having the effect of derivative contracts (substitution for regulation concerning other assets)
15. Assets to be taken into account only to a specified extent
16. Interpretation: Part V
17. Provision for adverse changes
18. General business liabilities
19. Long term liabilities
20. Rates of interest

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21. Expenses
  22. Linked long term contracts
  23. Interpretation: Part VII
  24. Insurance statistics: member States
  25. Schedule 2
  26. Schedule 5
  27. Schedule 6
  28. Transitional provision
- Signature

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SCHEDULE 1 — [SCHEDULE 5 TO THE 1994 REGULATIONS]ASSETS TO BE  
TAKEN INTO ACCOUNT ONLY TO A SPECIFIED EXTENT

PART I — EXCESS EXPOSURE: METHOD OF CALCULATION

1. Unless the context requires otherwise, words and expressions used in...
2. For the purposes of this Schedule— “business amount” means— for...
3. The permitted asset exposure limit for assets of any of...
4. The permitted counterparty exposure limit is— where the counterparty is...
5. Calculation of exposure to assets
6. Adjustments in respect of futures contracts
7. For the purposes of paragraph 6 above, the society shall...
8. Adjustments in respect of options
9. For the purposes of paragraph 8 above, the society shall...
10. Adjustments in respect of initial margins
11. Adjustments in respect of an undiversified contract for differences or a contract or asset having the effect of a derivative contract
12. For the purposes of paragraph 11 above, the society shall...
13. Excess asset exposure
14. Calculation of exposure to a counterparty
15. Where a society has rights in respect of an obligation...
16. If the society has liabilities to the counterparty which may...
17. Excess counterparty exposure
18. Excess concentration with a number of counterparties

PART II — DESCRIPTION OF ASSET AND CORRESPONDING BUSINESS  
AMOUNT

SCHEDULE 2 — [SCHEDULE 6 TO THE 1994 REGULATIONS]PERMITTED  
LINKS

PART I — DESCRIPTIONS OF PROPERTY BY REFERENCE TO WHICH  
BENEFITS MAY BE DETERMINED

1. Listed securities which are readily realisable, not being securities which...
2. Unlisted securities which are readily realisable, not being securities which...
3. Land (including any interest in land) in an EEA State,...
4. Loans— which are fully secured by mortgage (or in Scotland,...
5. Units or other beneficial interests in— a scheme falling within...
6. Approved securities.
7. Loans to or deposits with an approved credit institution, an...
8. Income due, or to become due, in respect of property...
9. Permitted derivative contracts.
10. Cash.
11. Units, by whatever name called, in a real or notional...

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PART II — INDICES BY REFERENCE TO WHICH BENEFITS MAY BE DETERMINED

12. An approved index.

PART III — INTERPRETATION

13. Unless the context otherwise requires, words or expressions contained in...  
14. For the purposes of this Schedule, “approved index” means either—...  
15. (1) For the purposes of this Schedule, “permitted derivative contract”...  
16. In this Schedule— “collective investment fund” includes a collective investment...

PART IV — RESTRICTIONS ON DETERMINATION OF BENEFITS BY REFERENCE TO PROPERTY DESCRIBED IN PART I

17. Benefits payable under any contract to which regulation 51 applies...

Explanatory Note