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STATUTORY INSTRUMENTS

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**1997 No. 2849**

**FRIENDLY SOCIETIES**

**The Friendly Societies (Amendment) Regulations 1997**

*Made* - - - - *1st December 1997*  
*Laid before Parliament* *3rd December 1997*  
*Coming into force* - - *1st January 1998*

The Friendly Societies Commission, being a Department designated<sup>(1)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(2)</sup> in relation to the authorisation of the carrying on by friendly societies of insurance business and the regulation of such business and its conduct and in relation to anything supplementary or incidental to such matters, in exercise of the powers conferred on it by that section, hereby makes the following Regulations:—

**Citation, commencement and extent**

1.—(1) These Regulations may be cited as the Friendly Societies (Amendment) Regulations 1997 and shall come into force on 1st January 1998.

(2) These Regulations extend to Northern Ireland.

**Interpretation**

2.—(1) In these Regulations—

“the 1992 Act” means the Friendly Societies Act 1992<sup>(3)</sup>;

“the commencement date” means 1st January 1998.

(2) In these Regulations expressions which are also used in the 1992 Act have the same meanings as in that Act.

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(1) S.I. 1992/3197.

(2) 1972 c. 68; by virtue of the amendment of section 1(2) of the European Communities Act by section 1 of the European Economic Area Act 1993 (c. 51) regulations may be made under section 2(2) of the European Communities Act to implement obligations of the United Kingdom created or arising by or under the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (Cm 2073) and the Protocol adjusting the Agreement signed at Brussels on 17th March 1993 (Cm 2183).

(3) 1992 c. 40.

## AMENDMENTS OF THE 1992 ACT

### Substitution of “EEA State” for “Member State”

3. In subsection (7)(c) of section 67B(4) (statutory notice), subsection (2)(a)(i) of section 87(5) (actuary’s report as to margin of solvency), subsection (1)(a)(i) of section 88(6) (actuary’s report on transfer of long term business) and section 119B(7) (meaning of “main agent”) of, and Schedules 13B(8) (recognition in other EEA States of friendly societies), 13C(9) (information for members of friendly societies) and 15, Part II(10) (amalgamations, transfers of engagements and conversions) to the 1992 Act for the words “member State” and “a member State,” wherever they occur, there shall be substituted “EEA State” and “an EEA State” respectively.

### Substitution of “EEA States” for “European Community”

4. In subsection (1)(a)(i) and (b)(i) of section 41(11) (withdrawal of authorisation), and subsection (5) of section 52A(12) (prohibition on disposal of assets) of the 1992 Act substitute “EEA States” for “European Community”.

### Consequential Repeals of the 1992 Act

5. The provisions of the 1992 Act specified in the Schedule to these Regulations are repealed to the extent specified in the Schedule.

## MISCELLANEOUS AND SUPPLEMENTAL

### Amendment of the Friendly Societies (Insurance Business) Regulations 1994

6. In the Friendly Societies (Insurance Business) Regulations 1994(13), regulation 55 is revoked and, in regulations 56 and 58, for the words “member State” and “a member State”, wherever they occur there shall be substituted “EEA State” and “an EEA State” respectively and, in regulation 58(2), the words “or EEA State” shall be omitted.

### Transitional Provisions

7.—(1) If a friendly society to which section 37(2) or (3) of the 1992 Act applies was immediately before the commencement date lawfully providing insurance of any class or part of a class in an EEA State which is not a member State, it shall be treated for the purposes of the 1992 Act as if the requirements of paragraph 5 of Schedule 13B to that Act have been complied with in relation to insurance business of that class or part of a class provided in that State.

(2) If a friendly society to which section 37(2) or (3) of the 1992 Act applies was immediately before the commencement date lawfully carrying on direct insurance business of a class or part of a class through an overseas branch in an EEA State which is not a member State, it shall be treated for the purposes of the 1992 Act as if the requirements of paragraph 1 of Schedule 13B to that Act have been complied with in relation to insurance business of that class or part of a class carried on in that State.

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- (4) Section 67B was inserted by S.I. 1994/1984, regulation 22.
  - (5) Subsection (2)(a) was substituted by S.I. 1994/1984, regulation 26(1).
  - (6) Subsection (1)(a) was substituted by S.I. 1994/1984, regulation 27.
  - (7) Section 119B was inserted by S.I. 1994/1984, regulation 32.
  - (8) Schedule 13B was inserted by S.I. 1994/1984, regulation 15, and Schedule 2.
  - (9) Schedule 13C was inserted by S.I. 1994/1984, regulation 21, and Schedule 3.
  - (10) Schedule 15, Part II was amended by S.I. 1994/1984, regulation 25, and Schedule 4.
  - (11) Sub-paragraph (a)(i) and (b)(i) of section 41(1) were substituted by S.I. 1994/1984, regulation 7(1).
  - (12) Section 52A was inserted by S.I. 1994/1984, regulation 13.
  - (13) S.I. 1994/1981 amended by S.I. 1996/3008 and S.I. 1997/966.

In witness whereof the common seal of the Friendly Societies Commission is hereunto fixed, and is authenticated by me, a person authorised under paragraph 13 of Schedule 1 to the Friendly Societies Act 1992, on

L.S.

1st December 1997.

*Michael Cook*  
Secretary to the Commission

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

## SCHEDULE

Regulation 5

## REPEALS

<i>Chapter</i>	<i>Short title</i>	<i>Extent of Repeal</i>
1992 c. 40.	Friendly Societies Act 1992.	<p>In Schedule 13B, Part II, paragraphs 9 and 10.</p> <p>In Schedule 13B, Part III, paragraph 11(3).</p> <p>In Schedule 13B, Part IV, paragraphs 13(1)(b), 13(1)(c) (ii), and paragraph 13(2) and the word “or” in paragraph 13(1)(c)(i).</p> <p>In Schedule 15, Part II, in paragraph 6(1A), the word “either”, in sub-paragraph (a), “(a)” and the word “or” and sub-paragraph (b), in paragraph 15, in sub-paragraph (3), the words “(other than an EFTA policy)” and sub-paragraphs (4) and (5), in paragraph 15A, in sub-paragraph (3), the words “(other than an EFTA policy)” and sub-paragraphs (4) and (5), in paragraph 16A(1), the word “either”, in sub-paragraph (a), “(a)” and the word “or” and sub-paragraph (b), in paragraph 16A(2)(a) and (3), the words “or, as the case may be, the EEA State in which the risk is situated”, in paragraph 16B(1), the word “either”, in sub-paragraph (a), “(a)” and the word “or” and sub-paragraph (b), in paragraph 16B(2)(a) and (3) the words “or, as the case may be, the EEA State”, in paragraph 18, sub-paragraph (3).</p>

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Friendly Societies Act 1992 (“the 1992 Act”) and the Friendly Societies (Insurance Business) Regulations 1994.

They implement the Agreement on the European Economic Area (Cm 2073) (“EEA Agreement”) as regards the application of Council Directive 92/49 EEC (O.J. No. L228, 11.8.92, p.1) and Council Directive 92/96 EEC (O.J. No. L360, 9.12.92, p.1) (the “Third Non-Life and Life Insurance Directives” respectively) to those contracting parties to the EEA Agreement who are not Member States, namely Norway, Iceland and Liechtenstein. In accordance with a Decision of the Joint Committee of the European Economic Area (O.J. No. L160, 28.6.94, p.1) these Directives apply to Norway and Iceland with effect from 1st July 1994. In accordance with a decision of the Council of the European Economic Area (O.J. No. L86, 20.4.95, p.58), these Directives, together with the earlier Council Directives on the co-ordination of laws, regulations and administrative provisions relating to insurance, apply to Liechtenstein with effect from 1st May 1995.

One of the principal purposes of the Third Life and Non-Life Insurance Directives was to introduce for direct insurance business the principle of the home State control. They were given effect in relation to friendly societies by the Friendly Societies (Amendment) Regulations 1994 (S.I.1994/1984), the Friendly Societies (Insurance Business) Regulations 1994 (S.I. 1994/1981) and the Friendly Societies (Authorisation) Regulations 1994 (S.I. 1994/1982).

The Regulations substitute the expression “EEA State” for “member State” in the provisions of the 1992 Act referred to in regulation 3 and the expression “EEA States” for “European Community” in the provisions referred to in regulation 4.

Regulation 6 substitutes the expression “EEA State” for “member State” in regulations 56 and 58 of the Friendly Societies (Insurance Business) Regulations 1994, revokes regulation 55, which is redundant by reason of that substitution, and deletes the reference to EEA State in regulation 58(2), which likewise is redundant.

### *Compliance Costs*

These Regulations will not impose any new burdens on business, accordingly, no Compliance Cost Assessment has been prepared.