1978 No. 285

FRIENDLY SOCIETIES

Friendly Societies (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978

Made . . . . . *25th September* 1978

Coming into operation . . . *1st November* 1978

The Department(a) of Commerce, in exercise of the powers conferred upon it by paragraph 13 of Schedule 4 to the Finance Act 1976(b) and of every other power enabling it in that behalf, hereby makes the following regulations:

Citation and commencement

1. These regulations may be cited as the Friendly Societies (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978 and shall come into operation on 1st November 1978.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954(c) shall apply to these regulations as it applies to a Measure of the Northern Ireland Assembly.

(2) In these regulations—

"actuary" means an actuary qualified in accordance with the Friendly Societies (Qualifications of Actuaries) Regulations (Northern Ireland) 1971(d);

"collecting society" has the meaning assigned to it by section 1(1A)(e) of the Industrial Assurance Act (Northern Ireland) 1924(f);

"friendly society" means a friendly society (not being a collecting society) or a branch thereof registered or deemed to be registered in Northern Ireland under the Friendly Societies Act (Northern Ireland) 1970(g) and includes a Great Britain friendly society;

"friendly society contract" means a contract made by a friendly society with a member of the society in the course of business in Northern Ireland, whether contained in the rules of the society or not;

"Great Britain friendly society" subject to paragraph (3) means a friendly society, not being a collecting society, which is registered in Great Britain for purposes corresponding to the Friendly Societies Act (Northern Ireland) 1970;

(a) Formerly Ministry: *see* 1973 c. 36 s. 40 and Sch. 5 para. 8(1)
(b) 1976 c. 40
(c) 1954 c. 33 (N.I.)
(d) S.R. & O. (N.I.) 1971 No. 18 (p. 134)
(e) Inserted by s. 47 of and Sch. 5 to 1968 c. 6 (N.I.)
(f) 1924 c. 21 (N.I.)
(g) 1970 c. 31 (N.I.)

"gross contribution" means the contribution of the amount payable under the contract;

"net contribution" has the meaning assigned in paragraph 3 of Schedule 1;

"parent" includes a stepfather or stepmother;

"Registrar" means the person appointed to perform in Northern Ireland the functions of registrar of friendly societies under the Friendly Societies Act (Northern Ireland) 1970;

"the prescribed scheme" means the scheme prescribed in Schedule 1;

"an approved scheme" means a special scheme approved by the Registrar in the circumstances provided for in regulation 8.

(3) References in these regulations to a Great Britain friendly society shall include references to a branch thereof registered under the Friendly Societies Act 1974(h).

Modification of enactments

3. The enactments mentioned in Schedule 3 shall have effect subject to the adaptations and modifications set out in that Schedule.

Adoption of a scheme

4.—(1) A friendly society may by resolution of its committee of management passed before 1st December 1978 adopt—

(*a*) the prescribed scheme, or

(*b*) an approved scheme

for the purpose of securing that in the case of friendly society contracts to which the scheme so adopted applies amounts equal to 17½ per cent. of the contributions payable are retained by or refunded to the persons paying the contributions.

(2) Where a friendly society has adopted any such scheme amounts equal to 17½ per cent. of the contributions payable under contracts to which the scheme applies shall be retained by or refunded to the persons paying the contributions as provided in the scheme so adopted.

(3) Written notice of a resolution adopting the prescribed or an approved scheme shall within fourteen days of the date of the passing thereof be sent by the society to the Registrar.

(4) Where a friendly society has resolved to adopt the prescribed or an approved scheme any right conferred by section 14 of the Friendly Societies Act (Northern Ireland) 1970 on any person to receive a copy of the rules of the society shall be extended so as to include the right to receive a copy of the resolution and of the scheme adopted by the resolution.

Increase in contribution

5.—(1) A resolution adopting the prescribed scheme may provide that in respect of any specified class of contract made by the society before 6th April 1979 to which the scheme applies under which the contribution does not exceed £4 every four weeks the contribution shall be increased with effect from that date to such sum as after deduction of 17½ per cent. thereof equals the amount expressed in the contract to be the contribution.

(h) 1974 c. 46

(2) Where such provision is made the resolution shall operate so as to effect the increase mentioned in paragraph (1) in the contribution payable under every contract of a class to which the provision relates, and the prescribed scheme shall take effect accordingly.

Corresponding increase in sum assured

6.—(1) Where an increase in the contribution has been effected under regulation 5 the sum assured or guaranteed by the contract under which the increased contribution is payable shall be increased by an amount determined in accordance with rules which have been certified by an actuary to be fair in relation to the increased contribution payable and have been approved by the Registrar.

(2) Where the sum assured or guaranteed by a contract is increased by virtue of the provisions of paragraph (1) the society shall on being requested in writing to do so by the person by whom the increased contribution is payable notify him in writing of the amount of the increase in the sum assured or guaranteed.

7.—(1) Where a friendly society has adopted the prescribed scheme by a resolution making such provision as is referred to in regulation 5(1) the member insured under a contract of a class specified in the provision which was made before 6th April 1979 and under which the contribution exceeds £4 every four weeks may before that date irrevocably elect, in the form set out in Schedule 2 or in a form to the like effect, that the contribution payable under the contract under which he is insured shall be increased with effect from 6th April 1979 to such sum as is mentioned in regulation 5(1).

(2) Where such election has been made the increase in contribution shall be effective as from 6th April 1979 as if it had been effected under regulation 5(2), and regulation 6 shall apply in respect of an increase in contribution under this regulation as it applies in relation to an increase under regulation 5.

Approved Schemes

8. The Registrar may before 1st December 1978 approve a special scheme intended to be adopted by a friendly society for the purposes mentioned in regulation 4 if in his opinion in view of the manner in which the business of the society is conducted, or any other relevant matter, it is expedient that the special scheme should be adopted.

Notice to contribution payers

9. Every friendly society which carries on life or endowment business shall take all reasonable steps to ensure that every person who on 31st December 1978 is paying contributions under a friendly society contract which forms part of such business receives a notice in a form approved by the Registrar setting out:—

(*a*) the effect of these regulations,

(*b*) whether the society has adopted the prescribed or an approved scheme, and

(*c*) the effect of the scheme which has been adopted;

and, as regards contracts made between 31st December 1978 and 5th April 1979, that such notice is received by the prospective contribution payer before the contract is made.

Amendment of rules

10. Notwithstanding anything contained in the rules of a friendly society which has adopted the prescribed scheme or an approved scheme, the committee of management of the society may by resolution passed before 6th April 1979 make amendments to the rules of the society in connection with the adoption by the society of any such scheme.

Sealed with the Official Seal of the Department of Commerce for Northern Ireland on 25th September 1978.

(L.S.) *W. T. McCrory*
Assistant Secretary