1978 No. 131

INDUSTRIAL ASSURANCE

Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978

Made . . . . . 22*nd May* 1978

Coming into operation . . . . 3*rd July* 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 section 43(1) of the Industrial Assurance Act (Northern Ireland) 1924(**c**) 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 Industrial Assurance (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978 and shall come into operation on 3rd July 1978.

Interpretation

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

(2) In these regulations—

"actuary"—(*a*) in relation to a collecting society, means an actuary qualified in accordance with the Friendly Societies (Qualifications of Actuaries) Regulations (Northern Ireland) 1971(**e**);

(*b*) in relation to an industrial assurance company, has the meaning given in Article 2(2) of the Insurance Companies (Northern Ireland) Order 1976(**f**);

"an approved scheme" means a special scheme approved by the Industrial Assurance Commissioner in the circumstances provided for in regulation 8;

"collecting society contract" means a contract, other than an industrial assurance contract, made by a collecting 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;

"gross premium" means the premium of the amount payable under the policy or contract;

"industrial assurance business" has the meaning given in section 1(2) of the Industrial Assurance Act (Northern Ireland) 1924;

"Industrial Assurance Commissioner" means the Industrial Assurance Commissioner for Northern Ireland;

(a) Formerly Ministry; *see* 1973 c. 36 s. 40 and Sch. 5 para. 8(1)
(b) 1976 c. 40
(c) 1924 c. 21 (N.I.)
(d) 1954 c. 33 (N.I.)
(e) S.R. & O. (N.I.) 1971 No. 18 (p. 134)
(f) S.I. 1976/59 (N.I. 3) brought into operation on 19th April 1976 by S.R. 1976 No. 56 (C. 2) (I, p. 307)

"industrial assurance company" and "collecting society" have the meanings assigned by section 1(1A)(g) of the Industrial Assurance Act (Northern Ireland) 1924;

"industrial assurance contract" means a contract of assurance made by an industrial assurance company in the course of its industrial assurance business in Northern Ireland or a contract made by a collecting society with a member of the society in the course of its industrial assurance business in Northern Ireland, whether contained in the rules of the society or not;

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

"owner" in relation to an industrial assurance policy, has the meaning given in section 45 of the Industrial Assurance Act (Northern Ireland) 1924;

"parent" includes a stepfather or stepmother;

"policy holder"—

(*a*) in relation to an industrial assurance company, has the meaning given in Article 2(2) of the Insurance Companies (Northern Ireland) Order 1976 and,

(*b*) in relation to a collecting society, means the owner of an industrial assurance policy;

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

Modification of enactments

3. The enactments mentioned in Schedule 2 shall have effect subject to the adaptations and modifications set out in that Schedule.

Adoption of a scheme

4.—(1) An industrial assurance company or collecting society may by resolution of its board of directors or, as the case may be, of its committee of management, passed before 1st October 1978, adopt—

(*a*) the prescribed scheme, or

(*b*) an approved scheme

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

(2) Where an industrial assurance company or collecting society has adopted any such scheme amounts equal to 17½ per cent. of the premiums payable under policies or contracts to which the scheme applies shall be retained by or refunded to the persons paying the premiums 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 passing of the resolution be sent by the industrial assurance company or collecting society to the Industrial Assurance Commissioner.

(4) Where a collecting 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(h) or

(g) Inserted by s. 47 of and Sch. 5 to 1968 c. 6 (N.I.)
(h) 1970 c. 31 (N.I.)

section 10(1) of the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1948(i) on any person to receive a copy of the rules of the society or of an amendment thereof 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 premium

5.—(1) A resolution adopting the prescribed scheme may provide that in respect of any specified class of policy or contract issued or made by the industrial assurance company or collecting society before 6th April 1979 to which the scheme applies under which the premium does not exceed £4 every four weeks the premium 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 policy or contract to be the premium.

(2) Where such provision is made the resolution shall operate so as to effect the above mentioned increase in the premium payable under every policy or 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 premium has been effected under regulation 5 the sum assured or guaranteed by the policy or contract under which the increased premium 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 premium payable and have been approved by the Industrial Assurance Commissioner.

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

7.—(1) Where an industrial assurance company or collecting society has adopted the prescribed scheme by a resolution making such provision as is referred to in regulation 5(1), the person insured under a policy or contract of a class specified in the provision which was issued or made before 6th April 1979 and under which the premium exceeds £4 every four weeks may before that date irrevocably elect, in the form set out in Schedule 3 or in a form to the like effect, that the premium 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 premium shall be effective from 6th April 1979 as if it has been effected under regulation 5(2) and regulation 6 shall apply in respect of an increase in premium under this regulation as it applies in relation to an increase under regulation 5.

Approved schemes

8. The Industrial Assurance Commissioner may before 1st October 1978 approve a special scheme intended to be adopted by an industrial assurance company or collecting society for the purposes mentioned in regulation 4 if in his opinion, in view of the manner in which the business of the industrial assurance company or collecting society is conducted, or any other relevant matter, it is expedient that the special scheme should be adopted.

(i) 1948 c. 22 (N.I.)

Notice to premium payers

9. Every industrial assurance company and collecting society shall take all reasonable steps to ensure that every person who on 31st December 1978 is paying premiums under an industrial assurance or collecting society contract made by it receives a notice in a form approved by the Industrial Assurance Commissioner setting out—

(*a*) the effect of these regulations,

(*b*) whether the company or 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 premium payer before the contract is made.

Amendment of rules

10. Notwithstanding anything contained in the rules of a collecting 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 22nd May 1978.

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

SCHEDULE 1 Regulation 2

PRESCRIBED SCHEME

1. The scheme applies to every industrial assurance or collecting society contract under which premiums are payable to an industrial assurance company or collecting society which has adopted the scheme in accordance with regulation 4.

2. Where the person assured or member, as the case may be, is resident in the United Kingdom and entitled to relief under section 19 of the Income and Corporation Taxes Act 1970(j), the liability of that person or member in respect of any premium due and payable after 5th April 1979 under a contract to which the scheme relates shall be discharged by payment of the net premium; and any payment made on account of such a premium shall be deemed to have been made after deducting 17½ per cent. from an amount payable in respect of the gross premium.

3. The net premium shall be a sum equal to 82½ per cent. of the gross premium, except that—

(*a*) in relation to an industrial assurance contract, where the said sum is not a multiple of one halfpenny, it shall be rounded off to the nearer halfpenny, or, if the said sum is a multiple of one half of one halfpenny, to the nearer penny; and

(*b*) in relation to a collecting society contract, where the said sum is not a multiple of one penny, it shall be rounded off to the nearer penny, or, if the said sum is a multiple of one halfpenny, to the nearer even penny.

(j) 1970 c. 10