

THE INDIAN LIFE ASSURANCE COMPANIES
ACT, 1912 (VI OF 1912).

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-ACT No. VI OF 1912.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the
18th March, 1912.)

An Act to provide for the regulation of Life
Assurance Companies.

WHEREAS it is expedient to provide for the regulation of life assurance companies; It is hereby enacted as follows:—

Preliminary.

1. (1) This Act may be called the Indian Life Assurance Companies Act, 1912. Short title
and extent.

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Santhal Parganas and the Pargana of Spiti.

2. In this Act, unless there is anything repugnant in the subject or context,— Definitions.

(1) “actuary” means an actuary possessing such qualifications as may be prescribed by rules made by the Governor General in Council:

(2) “chairman” means the person for the time being presiding over the board of directors or other governing body of a life assurance company:

(3) “Court” means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction:

(4) “financial year” means each period of twelve months at the end of which the balance of the accounts of the life assurance company is struck, or, if no such balance is struck, then the calendar year:

(5) “life assurance business” means the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life:

(6) “policy

(6) "policy of assurance on human life" means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life :

(7) "policy-holder" means the person who for the time being is the legal holder of the policy for securing the contract with the life assurance company :

(8) where a company grants annuities upon human life, "policy" includes the instrument evidencing the contract to pay such an annuity, and "policy-holder" includes annuitant : and

(9) "Registrar" means any person who may be appointed by the Local Government to perform the duties of the Registrar under this Act.

Companies to
which Act
applies.

3. Save as hereafter expressly provided, this Act shall apply to all persons or bodies of persons, whether corporate or unincorporate (which persons and bodies of persons are hereafter referred to as life assurance companies), whether established before or after the commencement of this Act and whether established within or without British India, who carry on life assurance business within British India.

Explanation.—A company registered under the Indian Companies Act, 1882, which carries on life assurance business in any part of the world shall for the purposes of this section be deemed to be a company carrying on such business within British India. VI of 1882

Exception.—Nothing in this Act shall apply to any society to which the Provident Insurance Societies Act, 1912, applies, or to any Fund which the Governor General in Council may, by notification in the Gazette of India, exempt from the operation of this Act.

Deposits.

*(Deposits.)**Deposits.*

4. (1) Every life assurance company shall, if ^{Deposits.} established before the commencement of this Act, within one year from such commencement, or, if established after such commencement, before it commences to carry on the business of life assurance, deposit and keep deposited with the Comptroller General, for and on behalf of the Governor General in Council, Government securities, as defined by the Indian Securities Act, 1886, of the face value of twenty-five thousand rupees or of a face value equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, whichever is greater; and, until the company keeps deposited securities of the face value of two hundred thousand rupees, shall annually deposit and keep deposited in like manner like securities of a face value—

(a) equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, until the face value of the securities deposited exceeds one hundred thousand rupees;

(b) and thereafter equal in amount to one-third of the increase to the life assurance fund as shown in the revenue account for the last financial year :

Provided that a company may at any time deposit securities of a face value of two hundred thousand rupees or make up its deposit of securities to that value.

(2) The interest accruing due on the securities deposited under sub-section (1) shall be paid to the company.

(3) The deposit may be made by the subscribers of the memorandum of association of a company or any of them, in the name of a proposed company, and,

and, upon the incorporation of the company, shall be deemed to have been made by, and to be part of the assets of, the company, and the Registrar of Joint Stock Companies shall not issue a certificate of incorporation of the company under the Indian Companies Act, 1882, until the deposit has been made. VI of 188

(4) The deposit shall be deemed to form part of the life assurance fund of the company.

Accounts and Documents.

Separation of funds.

5. In the case of a life assurance company transacting other business besides that of life assurance, a separate account shall be kept of all receipts in respect of the life assurance business, and the said receipts shall be carried to and form a separate fund to be called the life assurance fund.

Explanation.—Nothing in this section shall be deemed to require any life assurance fund to be invested in separate investments from any other fund, but a separate balance-sheet as prescribed under section 7 shall be kept in respect of the life assurance fund.

Exception.—Nothing in this section shall apply to a life assurance company established before the commencement of this Act, by the terms of whose deed of settlement the whole of the profits of all the business carried on by the company are paid exclusively to the life policy-holders, and on the face of whose life policies the liability of the life assurance fund in respect of the other business distinctly appears.

Appropriation of life assurance fund.

6. The life assurance fund shall be as absolutely the security of the life policy-holders as though it belonged to a company carrying on no other business than life assurance business, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of life assurance, and shall not

(Accounts and Documents.)

not be applied, directly or indirectly, for any purposes other than those of life assurance.

Exception.—Nothing in this section shall affect the liability of the life assurance fund, in the case of a company established before the commencement of this Act, for contracts entered into by the company before such commencement.

7. Every life assurance company shall, at the expiration of each financial year, prepare—

Accounts
and balance-
sheets.

- (a) a revenue account for the year in the form or forms set forth in the First Schedule and applicable to the class or classes of business carried on by the company;
- (b) a profit and loss account in the form set forth in the Second Schedule, except where the company carries on life assurance business only and no other business;
- (c) a balance-sheet or balance-sheets in the form or forms set forth in the Third Schedule;
- (d) a statement containing the name of every person who during the year was a member of the board of directors or other governing body or was manager or secretary or held any similar office by whatever name called.

8. (1) Every life assurance company shall once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or bye-laws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary, and shall cause an abstract of the report of such actuary to be made in the form set forth in the Fourth Schedule.

Actuarial
report and
abstract.

(2) The provision of sub-section (1) regarding the making of an abstract shall also apply whenever at any other time an investigation into the financial condition of a life assurance company is made with a view to the distribution of profits, or whenever the results of any such investigation are made public.

9. In

Actuarial
abstract in
case of
mutual
company.

9. In the case of a mutual life assurance company whose profits are allocated to members wholly or mainly by annual abatements of premium, the abstract of the report of the actuary on the financial condition of the company, prepared in accordance with the Fourth Schedule, may, notwithstanding anything in section 8, be made and returned at intervals not exceeding five years: Provided that, where such return is not made annually, it shall include particulars as to the rates of abatement of premiums applicable to different classes or series of assurances allowed in each year during the period which has elapsed since the previous return under the Fourth Schedule.

Statement of
life assurance
business.

10. Every life assurance company shall, within three years from the commencement of this Act, and thereafter at the date to which the accounts of the company are made up for the purposes of the investigation prescribed by section 8, prepare a statement of its assurance business in the form set forth in the Fifth Schedule: Provided that, if the investigation is made annually by any company, the company may prepare such a statement at any time, so that it be made at least once in every five years.

Deposit of
accounts,
etc., with
Governor
General in
Council.

11. (1) Every account, balance-sheet, abstract or statement hereinbefore required to be made shall be printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company, and by the principal officer of the company, and if the company has a managing director, by the managing director, shall be deposited with the Governor General in Council within six months in the case of accounts and balance-sheets required by section 7, and within one year in other cases after the close of the period to which the account, balance-sheet, abstract or statement relates: Provided that, if in any case it is made to appear to the Governor General in Council that the circumstances are such that a longer period should be allowed, he may extend that period by such period as he may think fit.

(2) The

(Accounts and Documents.)

(2) The Governor General in Council shall consider any document deposited in accordance with the provisions of sub-section (1) and, if any such document appears to the Governor General in Council to be inaccurate or defective in any respect, the Governor General in Council may call upon the company to furnish a further statement correcting any such inaccuracies or supplying any such deficiencies.

12. There shall be deposited with every revenue account and balance-sheet of a life assurance company every report on the affairs of the company submitted to the shareholders or policy-holders of the company in respect of the financial year to which the account and balance-sheet relate. Deposit of report.

VI of 1882. 13. Where a life assurance company registered under the Indian Companies Act, 1882, in any year deposits its accounts and balance-sheet in accordance with the provisions of section 11, the company may, at the same time, send to the Registrar of Joint Stock Companies a copy of such accounts and balance-sheet; and, where such copy is so sent, it shall not be necessary for the company to file a balance-sheet with the Registrar of Joint Stock Companies as required by section 74 of the Indian Companies Act, 1882, and the copy of the accounts and balance-sheet so sent shall be dealt with in all respects as if it were a balance-sheet filed in accordance with that section. Exemption from certain provisions of Act VI of 1882.

VI of 1882. 14. A printed copy of the accounts, balance-sheet, abstract or statement last deposited shall, on the application of any shareholder or policy-holder of the company, be forwarded to him by the company by post or otherwise. Right of shareholders, etc., to copies of accounts, etc.

15. The accounts of every life assurance company shall be audited annually in such manner as the Governor General in Council may prescribe. Audit of accounts.

VI of 1882. 16. Every life assurance company which is not registered under the Indian Companies Act, 1882, shall keep a list of the names and addresses of its shareholders, List of shareholders.

shareholders, and shall, on the application of any shareholder or policy-holder of the company, furnish to him a copy of such list on payment of a sum not exceeding two annas for every hundred words required to be copied.

Deed of
settlement.

17. Every life assurance company which is not registered under the Indian Companies Act, 1882, VI of 1882, shall cause a sufficient number of copies of its deed of settlement or other instrument constituting the company to be printed, and shall, on the application of any shareholder or policy-holder of the company, furnish to him a copy of such deed of settlement or other instrument on payment of a sum not exceeding one rupee.

Publication
of authorised
as well as
subscribed
and paid-up
capital.

18. Where any notice, advertisement or other official publication of a life assurance company contains a statement of the amount of the authorised capital of the company, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

Requirements
as to com-
panies estab-
lished
outside
British
India.

19. (1) Every life assurance company, constituted outside British India, which establishes a place of business within British India, or appoints an agent in British India with the object of obtaining life assurance business, shall, within three months from the establishment of the place of business or the appointment of such agent, file with the Registrar—

- (a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;
- (b) a list of the directors of the company;
- (c) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company

(Amalgamation or Transfer.)

company service of process and any notices required to be served on the company;

and, in the event of any alteration being made in any such instrument or in the list of directors or in the names and addresses of such persons as aforesaid, the company shall, within such time as the Governor General in Council may prescribe, file with the Registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) There shall be paid to the Registrar for registering any document, required by this section to be filed, a fee of five rupees or such smaller fee as the Governor General in Council may prescribe.

Amalgamation or Transfer.

20. (1) Where it is intended to amalgamate two or more life assurance companies, or to transfer the life assurance business of one company to another, the directors of any one or more of such companies may apply to the Court, by petition, to sanction the proposed arrangement.

Amalgama-
tion or
transfer.

(2) Before any such application is made to the Court—

(a) notice of the intention to make the application shall be published in the Gazette of India and in the local official Gazette of the Province in which the principal place of business of the company is situate at least two months before the application is made;

(b) a statement of the nature of the amalgamation or transfer, as the case may be, together with an abstract containing the material

material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which the agreement or deed is founded, including a report by an independent actuary, shall, unless the Court otherwise directs, be transmitted to each policy-holder of each company; and

(c) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy-holders and shareholders at the offices of the companies for a period of fifteen days after the last publication of the notice.

(3) The Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

(4) The Court shall not sanction the amalgamation or transfer in any case in which it appears to the Court that the life policy-holders representing one-tenth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer, dissent from the amalgamation or transfer.

(5) No life assurance company shall amalgamate with another, or transfer its business to another, unless the amalgamation or transfer is sanctioned by the Court in accordance with this section.

Statement in
case of amal-
gamation or
transfer.

21. Where an amalgamation takes place between any life assurance companies, or where any life assurance business of one such company is transferred to another company, the combined company or the purchasing company, as the case may be, shall, within

within one month from the date of the completion of the amalgamation or transfer, deposit with the Governor General in Council—

- (a) certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer; and
- (b) a certified copy of the agreement or deed under which the amalgamation or transfer is effected; and
- (c) certified copies of the actuarial or other reports upon which that agreement or deed is founded; and
- (d) a declaration under the hand of the chairman of each company, and the principal officer of each company, that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

Winding-up.

22. The Court may order the winding-up of a life assurance company, in accordance with the Indian Companies Act, 1882, and the provisions of that Act shall apply accordingly, subject, however, to the modification that the company may be ordered to be wound up—

- (a) on the petition of ten or more policy-holders:

Provided

Provided that such a petition shall not be presented except by the leave of the Court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court, and until security for costs for such amount as the Court may think reasonable has been given; or

- (b) on application made on behalf of the Governor General in Council, showing that from a consideration of the documents deposited with him under the provisions of this Act it appears to him that the company is insolvent.

Winding-up
of subsidiary
companies.

23. (1) Where a life assurance business or any part of the life assurance business of a life assurance company has been transferred to another company under an arrangement in pursuance of which the first-mentioned company (in this section called the subsidiary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section called the principal company), then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject as hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the Court necessary, with a view to the companies being wound up as if they were one company.

(2) The commencement of winding-up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding-up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves,

selves, the Court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies, in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding-up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is subsidiary, the Court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is subsidiary to the principal company, and that the winding-up of the company in conjunction with the principal company, is just and equitable.

(5) An application may be made in relation to the winding-up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where a company stands in the relation of a principal company to one company, and in the relation of a subsidiary company to some other company, or where there are several companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies together or in separate groups as it thinks most expedient upon the principles laid down in this section.

24. Where a life assurance company is being wound up by the Court, or subject to the supervision of the Court, or voluntarily, the value of a policy or of a liability under a policy requiring to be valued in such winding-up shall be estimated in manner applicable to policies and liabilities provided by the Sixth Schedule.

Valuation of annuities and policies.

25. The

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(*Winding-up. Special Provisions relating to
Accounts and Documents.*)

Rules of
valuation.

25. The rules in the Sixth Schedule shall be of the same force, and may be repealed, altered or amended as if they were rules made in pursuance of section 254 of the Indian Companies Act, 1882, VI of 1882. and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding-up of life assurance companies.

Power to
Court to
reduce con-
tracts.

26. The Court, in the case of a life assurance company which has been proved to be unable to pay its debts, may, if it thinks fit, reduce the amount of the contracts of the company upon such terms and subject to such conditions as it thinks just, in place of making a winding-up order.

*Special Provisions relating to Accounts and
Documents.*

Custody and
inspection
of documents
deposited
with Govern-
or General
in Council.

27. The Governor General in Council may direct any documents deposited with him under this Act, or certified copies thereof, to be kept by the Registrar or by any other officer appointed in this behalf, and any such documents and copies shall be open to inspection, and copies thereof may be procured by any person on payment of such fees as the Governor General in Council may direct.

Accounts,
etc., to be
published.

28. The Governor General in Council shall annually publish in the Gazette of India and cause to be published in the local official Gazette of the Province in which the life assurance company has its principal place of business the accounts, balance-sheets, abstracts, statements and other documents under this Act, or purporting to be under this Act, deposited with him during the preceding year, except reports on the affairs of life assurance companies submitted to the shareholders or policyholders thereof, and may append to such accounts, balance-sheets, abstracts, statements or other documents any note of the Governor General in Council thereon, and any correspondence in relation thereto.

29. Every

(*Special Provisions relating to Accounts and Documents. Companies carrying on business in the United Kingdom.*)

29. Every document deposited under this Act with the Governor General in Council, and certified by the Registrar or by any person appointed in that behalf by the Governor General in Council to be a document so deposited, shall be deemed to be a document so deposited. Evidence of documents.

30. Every document purporting to be certified by the Registrar, or by any person appointed in that behalf by the Governor General in Council, to be a copy of a document so deposited, shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original document unless some variation between it and the original document be proved. Evidence of copies of documents.

31. The Governor General in Council may, on the application or with the consent of a life assurance company, alter the forms contained in the Schedules to this Act as respects that company, for the purpose of adapting them to the circumstances of that company. Alteration of forms.

Companies carrying on business in the United Kingdom.

32. (1) An assurance company which carries on life assurance business in the United Kingdom in accordance with the Assurance Companies Act, 1909, may, if carrying on life assurance business in British India before the commencement of this Act, within three months of such commencement, or, in any other case, before it commences to carry on life assurance business in British India, apply to the Governor General in Council for a declaration that it so carries on such business in the United Kingdom. Certain companies may apply to be declared companies which carry on life assurance business in the United Kingdom.

(2) A company applying under the provisions of sub-section (1) shall furnish, at the time of its application or at such further time as the Governor General in Council may prescribe, such evidence as he may direct of the facts alleged in its application.

(3) Where

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United Kingdom.)

(3) Where the Governor General in Council is satisfied that a life assurance company applying as aforesaid is a life assurance company which carries on business in the United Kingdom in accordance with the Assurance Companies Act, 1909, he shall, ^{9 Edw. VII, cap. 49.} by notification in the Gazette of India, make a declaration to that effect, and shall cause such notification to be republished in the local official Gazette of the Province where the company has or proposes to have its principal place of business.

Application
of the Act
to companies
which carry
on life assur-
ance business
in the United
Kingdom.

33. Where the Governor General in Council has notified a declaration in accordance with the provisions of section 32 in respect of a life assurance company, nothing in section 4, section 5, sections 7 to 12, sections 15, 20, 21 or 37 shall apply to the company:

Provided that—

(1) the company shall deposit with the Governor General in Council, in the manner prescribed in section 11, copies of every account, balance-sheet, abstract, statement or other document which the company is required by the Assurance Companies Act, 1909, to deposit at the Board ^{9 Edw. VII, cap. 49.} of Trade;

(2) if, at any time, a company in respect of which a declaration has been notified under section 32 ceases to carry on life assurance business in the United Kingdom in accordance with the provisions of the Assurance Companies Act, 1909, ^{9 Edw. VII, cap. 49.} it shall, if it continues to carry on life assurance business in British India, be subject to all the provisions of this Act from the date it ceased to carry on such business in the United Kingdom in accordance with the said Act.

Penalties

Penalties and Procedure.

34. Any life assurance company which makes default in complying with any of the requirements of this Act, and every director, manager, or secretary, or other officer or agent of the company who is knowingly a party to the default, shall be punishable with fine which may extend to one thousand rupees, or, in the case of a continuing default, with fine which may extend to five hundred rupees for every day during which the default continues; and, if default continues for a period of three months after notice of default by the Governor General in Council (which notice shall be published in one or more newspapers as the Governor General in Council may, upon the application of one or more policy-holders or shareholders, direct), the default shall be a ground on which the Court may order the winding-up of the company, in accordance with the Indian Companies Act, 1882.

VI of 1882.

35. If any account, balance-sheet, abstract, statement or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Penalty for falsifying statements, etc.

36. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence against this Act.

Cognizance of offences.

Miscellaneous.

37. (1) The Governor General in Council may appoint one or more inspectors to examine into the affairs of any life assurance company, and to report thereon in such manner as he may direct—

Appointment of inspectors.

(i) in the case of a life assurance company which is not registered under the Indian Companies Act, 1882, upon the application—

(a) of shareholders being in number not less than one-fifth of the whole number of persons

VI of 1882.

persons for the time being entered on the list of shareholders kept in accordance with the provisions of section 16; or

- (b) of twenty or more policy-holders owning policies of an aggregate value of not less than twenty thousand rupees;
- (ii) in any case where a life assurance company has failed to furnish a further statement when required to do so under the provisions of section 11, sub-section (2), or where the Governor General in Council is of opinion that any such further statement is insufficient or unsatisfactory.

(2) On an appointment being made under sub-section (1), the provisions of section 84 of the Indian Companies Act, 1882, shall apply to the examination made by such inspectors. VI of 1882.

Service of notices.

38. Any notice or other document which is by this Act required to be sent to any policy-holder may be addressed and sent to the person to whom notices respecting such policy are usually sent, and any notice so addressed and sent shall be deemed and taken to be notice to the holder of such policy :

Provided that, where any person claiming to be interested in a policy has given to the company notice in writing of his interest, any notice which is by this Act required to be sent to policy-holders shall also be sent to such person at the address specified by him in his notice.

Powers to make rules.

39. (1) The Governor General in Council may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) prescribe the qualifications to be possessed by actuaries, auditors and inspectors under this Act, and the manner in which the

(Miscellaneous.)

the accounts of life assurance companies shall be audited;

- (b) prescribe the time within and the form in which notice of alteration of the particulars specified in section 19 of the Act shall be filed with the Registrar;
- (c) subject to the provisions of this Act, prescribe the fees payable thereunder.

(3) All rules made under this Act shall be published in the Gazette of India, and on such publication, shall have effect as if enacted in this Act.

40. The Governor General in Council may, by notification in the Gazette of India, and subject to such conditions and restrictions as he thinks fit, delegate to any Local Government all or any of the powers (other than the power to make rules under section 39) conferred on him by this Act.

Power of Governor General in Council to delegate to Local Governments the powers conferred by this Act.

41. The Governor General in Council may, by notification in the Gazette of India, and subject to such restrictions and conditions as he thinks fit, exempt any life assurance company from all or any of the provisions of this Act.

Power of Governor General in Council to exempt from the provisions of the Act.

42. In section 131 of the Indian Companies Act, 1882, the words from "In the case of a life assurance company" to "unable to pay its debts" are hereby repealed.

Amendment of Act VI, 1882, section 131.

VI of 1882.

THE FIRST SCHEDULE.

Indian Life Assurance Companies.
(The First Schedule.)

[ACT VI

THE FIRST SCHEDULE.

(See section 7.)

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REVENUE

ACCOUNTS OF THE _____ FOR THE YEAR ENDING _____

(A) Life Assurance Account.

	Rs.		Rs.
<p style="text-align: center;"><i>Amount of life assurance fund at the beginning of the year.</i></p> <p style="text-align: center;"><i>Premiums</i></p> <p style="text-align: center;"><i>Consideration for annuities granted * (see Note 1).</i></p> <p style="text-align: center;"><i>Interest, dividends, and rents.</i></p> <p style="text-align: center;"><i>Taxes thereon.</i></p> <p style="text-align: center;"><i>Other receipts (accounts to be specified).</i></p>	Rs.	<p>Dividends payable on 19 for the year ending 19 . (This is only to be stated here by companies not supplying a Profit and Loss account.)</p> <p>Claims under policies paid and outstanding—</p> <p>By death</p> <p>By maturity</p> <p>Surrenders, including surrenders of bonus additions.</p> <p>Annuities</p> <p>Bonuses in cash</p> <p>Bonuses in reduction of premiums</p> <p>Expenses of management :—</p> <p>Commission</p> <p>Agents' and Canvassers' allowances</p> <p>Salaries, etc. (other than to Agents and Canvassers).</p> <p>Travelling expenses</p> <p>Directors' fees</p> <p>Auditors' fees</p> <p>Medical fees</p> <p>Rents for offices belonging to and occupied by the company.</p> <p>Rents of other offices occupied by the company.</p> <p>Law charges</p> <p>Advertising</p> <p>Printing and stationery</p> <p>Other expenses of management (accounts to be specified).</p> <p>Other payments (accounts to be specified).</p> <p>Amount of life assurance fund at the end of the year, as per Third Schedule.</p>	Rs.

NOTE 1.—Companies having a separate annuity fund with investments separate from those of the life assurance fund to return the particulars of their annuity business in a separate statement, in Form B of this Schedule.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

NOTE 3.—If any sum has been deducted from the expenses of management account, and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above account.

(B) Revenue

(The First Schedule.)

(B) Revenue Account applicable to annuity business of those companies having a separate annuity fund, the investments of which are kept separate from those of the life assurance fund.

		Rs.		Rs.
Amount of annuity fund at the beginning of the year.			Annuities	
Consideration for annuities granted			Surrenders	
Interests, dividends and rents.	Rs.		Expenses of management :—	
Less income-tax thereon .			Commission	
Other receipts			Other expenses (to be specified) . .	
			Other payments (accounts to be specified).	
			Amount of annuity fund at the end of the year as per Balance-sheet.	
	Rs.			Rs.

NOTE.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

(C) General Revenue Account applicable to all classes of business other than life assurance and annuity transactions.

		Rs.		Rs.
Amount of funds at the beginning of the year.			Claims less reassurances (accounts to be specified).	
Premiums (accounts to be specified)			Expenses of management :—	
Interests, dividends and rents.	Rs.		Commission	
Less income-tax thereon .			Other expenses (to be specified) . .	
Profits (accounts to be specified) .			Losses (accounts to be specified) . .	
Other receipts (to be specified) .			Other payments (accounts to be specified).	
			Amount of funds at the end of the year as per Balance-sheet.	
	Rs.			Rs.

NOTE 1.—All the items in the above account to be exclusive of life assurance and annuity transactions.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

(D) Statement

Indian Life Assurance Companies.
(The Second Schedule.)

(D) Statement to be submitted along with the Revenue Account by all life assurance companies.

Class of Policy.	TOTAL NEW LIFE ASSURANCES COMPLETED IN INDIA DURING THE YEAR 19 .			PORTION THEREOF REASSURED.		
	Sum Assured.	Annual Premium.	Single Premium.	Sum Assured.	Annual Premium.	Single Premium.
Whole life . . .	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Whole life by limited payments.						
Endowment assurances.						
Pure endowments						
Term assurances . . .						
Other classes . . .						
TOTAL . . .						

State also :—

New annuities (state number and annual amount).
 Total sums assured and bonuses (less reassurances) remaining in force at end of year 19 on lives of residents in India.
 Number and amount of annuities (less reassurances) remaining in force at end of year 19 on lives of residents in India.
 Largest sum for which the company has granted an assurance on any one life during the year, after deduction of any portion reassured.
 Statement of the total investments in India of the life assurance and annuity funds.

THE SECOND SCHEDULE.

(See section 7.)

PROFIT AND LOSS ACCOUNT OF THE _____ FOR THE YEAR ENDING _____

Balance of last year's account	Rs.		Rs.
Interest and dividends not carried to other accounts.	Rs.	Dividends and bonuses to shareholders payable on 19 , for the year ending 19 . Expenses not charged to other accounts. Loss realised (accounts to be specified) Other payments (accounts to be specified).	
Less income-tax thereon .			
Profit realized (accounts to be specified).		Balance as per Third Schedule	
Other receipts (accounts to be specified).			
	Rs.		Rs.

THE THIRD SCHEDULE.

THE THIRD SCHEDULE.

(See section 7.)

(A) BALANCE-SHEET OF THE _____ ON THE _____ 19 .

LIABILITIES.	Rs.	ASSETS.	Rs.
<p>Life assurance fund—</p> <p style="padding-left: 20px;">Outstanding liabilities of life assurance fund.</p> <hr/> <p>Annuity fund (if any) as per separate balance-sheet.</p> <p style="padding-left: 20px;">Outstanding liabilities of annuity fund.</p> <hr/> <p>Shareholders' capital paid up (if any).</p> <p>Profit and Loss account (if any).</p> <hr/> <p>Funds contained in General Revenue Account (if any) [Schedule I (c)].</p> <hr/> <p>Other sums owing by the Company.</p> <p>(Accounts to be specified and stated separately under each class of business.)</p>	<p>Rs.</p>	<p>Assets of life assurance fund as per separate balance-sheet (if any).</p> <p>Assets of annuity fund as per separate balance-sheet (if any).</p> <p>Assets of funds other than those shown in the above-mentioned balance-sheets.</p> <p>Mortgages on property within India.</p> <p style="padding-left: 20px;">Do. do. out of India</p> <p>Loans on public rates</p> <p style="padding-left: 20px;">Do. life interests and reversions.</p> <p style="padding-left: 20px;">Do. stocks and shares</p> <p style="padding-left: 20px;">Do. company's policies within their surrender values.</p> <p style="padding-left: 20px;">Do. personal security</p> <p>Investments—</p> <p style="padding-left: 20px;">Deposit with the Comptroller General (securities to be specified).</p> <p style="padding-left: 20px;">Indian Government securities</p> <p style="padding-left: 20px;">British and Colonial Government securities.</p> <p style="padding-left: 20px;">Foreign Government securities</p> <p style="padding-left: 20px;">Indian Municipal and Provincial securities.</p> <p style="padding-left: 20px;">British and Colonial ditto</p> <p style="padding-left: 20px;">Foreign ditto ditto</p> <p style="padding-left: 20px;">Bonds, debentures, stocks and other securities whereon interest is guaranteed by the Indian Government.</p> <p style="padding-left: 20px;">Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government.</p> <p style="padding-left: 20px;">Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government.</p> <p style="padding-left: 20px;">Ordinary stocks and shares of any Indian Presidency Bank.</p> <p style="padding-left: 20px;">Debentures of any Railway in India.</p>	<p>Rs.</p>

(A) BALANCE-SHEET

Indian Life Assurance Companies
(The Third Schedule.)

(A) BALANCE-SHEET _____ OF THE _____ ON THE _____ 19 ____ — (contd.).

LIABILITIES.	Rs.	ASSETS.	Rs.
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	
		Ordinary stocks and shares of any Railway out of India.	
		House property in India.	
		House property out of India.	
		Freehold and leasehold ground rents and rent charges in India.	
		Life interests and reversions in India.	
		Do. do. out of India.	
		Other investments in India (to be specified).	
		Other investments out of India (to be specified).	
		Agents' balances	
		Outstanding premiums*	
		Do. interests, dividends and rents.*	
		Interest accrued but not payable*	
		Bills receivable	
		Cash—	
		On deposit	
		In hand and on current account	
		Other assets (to be specified).	
Rs.			Rs.

* These items are or have been included in the corresponding items in the First Schedule.

NOTE 1.—When part of the assets of the company are specifically deposited under local laws, in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—The balance-sheet must state how the values of the Stock Exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance-sheet, to the effect that in their belief the assets set forth in the balance-sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 3.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 4.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a company or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

(B) BALANCE-SHEET

(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND _____ ON THE
19____, TO BE COMPLETED BY COMPANIES DOING
BUSINESS OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE
FUNDS.

LIABILITIES.	Rs.	ASSETS.	Rs.
Life assurance fund		Mortgages on property within India	
Claims admitted or intimated* but not paid.		Do. do. out of India	
Other sums owing by the company* (under this class of business).		Loans on public rates	
		Do. life interests and reversions	
		Do. stocks and shares	
		Do. company's policies within their surrender values.	
		Do. personal security	
		Investments:—	
		Deposit with the Comptroller General (securities to be specified).	
		Indian Government securities.	
		British and Colonial Government securities.	
		Foreign Government securities.	
		Indian Municipal and Provincial securities.	
		British and Colonial ditto	
		Foreign ditto ditto	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the Indian Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government.	
		Ordinary stocks and shares of any Indian Presidency Bank.	
		Debentures of any Railway in India.	
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	

* These items are or have been included in the corresponding items in the First Schedule.

(B) BALANCE-SHEET

(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND _____ ON THE _____ 19 _____, TO BE COMPLETED BY COMPANIES DOING BUSINESS OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE FUNDS.

	Rs.		Rs.
LIABILITIES.		ASSETS.	
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	
		Do. do. out of India.	
		House property in India.	
		Do. out of do.	
		Freehold and leasehold ground rents and rent-charges in India.	
		Life interests and reversions in India.	
		Do. do. out of do.	
		Other investments in India (to be specified).	
		Do do. out of do. (to be specified).	
		Agents' balances	
		Outstanding premiums*	
		Do. interests, dividends and rents*	
		Interest accrued but not payable*	
		Bills receivable	
		Cash—	
		On deposit	
		In hand and on current account	
		Other assets (to be specified)	
Rs.			Rs.

- * These items are or have been included in the corresponding items in the First Schedule.
- NOTE 1.—When part of the assets of the company are specifically deposited under local laws in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.
- NOTE 2.—A balance-sheet in the above form must be rendered in respect of the annuity fund if the investments of that fund are distinct from those of the life assurance fund.
- NOTE 3.—The balance-sheet must state how the values of the stock exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance-sheet, to the effect that in their belief the assets set forth in the balance-sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.
- NOTE 4.—A certificate must be appended hereto, signed by the same persons as signed the balance-sheet (Form A), and by the auditor, to the effect that no part of any such fund has been applied, directly or indirectly, for any purpose other than the class of business to which it is applicable.
- NOTE 5.—Companies having investments with any uncalled liability shall state separately the full amount thereof.
- NOTE 6.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a company, or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

THE FOURTH SCHEDULE

(The Fourth Schedule.)

THE FOURTH SCHEDULE.

(See sections 8 and 9.)

STATEMENT RESPECTING THE VALUATION OF THE LIABILITIES
UNDER LIFE POLICIES AND ANNUITIES OF THE _____,
TO BE MADE AND SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.
2. The general principles adopted in the valuation, and the method followed in the valuation of particular classes of assurances, including a statement of the method by which the net premiums have been arrived at, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise; together with a statement of the manner in which policies on under average lives are dealt with.
3. The table or tables of mortality used in the valuation. In cases where the tables employed are not published, specimen policy values are to be given, at the rate of interest employed in the valuation, in respect of whole-life assurance policies effected at the respective ages of 20, 30, 40 and 50, and having been respectively in force for 5 years, 10 years, and upwards at intervals of five years, respectively; with similar specimen policy values in respect of endowment assurance policies, according to age at entry, original term of policy and duration.
4. The rate or rates of interest assumed in the calculations.
5. The actual proportion of the annual premium income (if any), reserved as a provision for future expenses and profits, separately specified in respect of assurances with immediate profits, with deferred profits, and without profits. (If none, state how this provision is made.)
6. The consolidated revenue-account since the last valuation, or, in case of a company which has made no valuation, since the commencement of the business. (This return should be made in the form annexed. No return under this heading will be required where a statement under this schedule is deposited annually.)
7. The liabilities of the company under life policies and annuities at the date of the valuation, showing the number of policies, the amount assured and the amount
of

of premiums payable annually under each class of policies, both with and without participation in profits; and also the net liabilities and assets of the company with the amount of surplus or deficiency. (These returns to be made in the forms annexed.)

8. The principles upon which the distribution of profits among the shareholders and policy-holders is made, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise, and the number of years' premiums to be paid before a bonus (a) is allotted, and (b) vests.

9. The results of the valuation, showing—

- (1) the total amount of profit made by the company, allocated as follows:—
 - (a) among the policy-holders with immediate participation, and the number and amount of the policies which participated;
 - (b) among policy-holders with deferred participation, and the number and amount of the policies which participated;
 - (c) among the shareholders;
 - (d) to reserve funds, or other accounts;
 - (e) carried forward unappropriated;
- (2) specimens of bonuses allotted to whole life assurance policies for Rs. 1,000 effected at the respective ages of 20, 30, 40 and 50, and having been respectively in force for five years, 10 years, and upwards at intervals of 5 years respectively, together with the amounts apportioned under the various modes in which the bonus might be received; with similar specimen bonuses and particulars in respect of endowment assurance policies, according to age at entry, original term of policy, and duration.

(Form

(Form referred to under Heading No. 6 in Fourth Schedule.)

Consolidated Revenue Account of the _____ for _____ years
commencing _____ and ending _____.

	Rs.		Rs.
Amount of life assurance fund at the beginning of the period.		Claims under policies paid and outstanding—	
Premiums		By death	
Consideration of annuities granted		By maturity	
Rs.			
Interest, dividends and rents .		Surrenders	
Less income-tax thereon .		Annuities	
Other receipts (accounts to be specified).		Bonuses in cash	
		„ „ reduction of premiums	
		Commission	
		Expenses of management	
		Other payments (accounts to be specified).	
		Amount of life assurance fund at the end of the period as per Third Schedule.	
Rs.			Rs.

NOTE.—If any sum has been deducted from the expenses of management account and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above statement.

(Form

(Form referred to under Heading No. 7 in Fourth Schedule.)

Summary and valuation of the policies of the _____ as at 19____

	PARTICULARS OF THE POLICIES FOR VALUATION.				VALUATION.		
	Number of policies.	Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.	Value by the Table, in per cent.		
					Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.
ASSURANCES.							
<i>I.—With immediate participation in profits.</i>							
For whole term of life							
Other classes (to be specified)							
Extra premiums payable							
<i>II.—With deferred participation in profits.</i>							
For whole term of life							
Other classes (to be specified)							
Extra premiums payable							
Total assurances with profits							
<i>III.—Without participation in profits.</i>							
For whole term of life							
Other classes (to be specified)							
Extra premiums							
Total assurances without profits							
Total assurances							
Deduct reassurances (to be specified according to class in a separate statement).							
Net amount of assurances							
Adjustments, if any (to be separately specified).							
ANNUITIES ON LIVES.							
Immediate							
Other classes (to be specified)							
Total of the results							

- NOTE 1.**—The term "extra premium" in this Act shall be taken to mean the charge for any risk not provided for in the minimum contract premium. If policies are issued in or for any country at a rate of premium deduced from tables other than the European mortality tables adopted by the company separate schedules similar in form to the above must be furnished.
- NOTE 2.**—Separate returns and valuation results must be furnished in respect of classes of policies valued by different tables of mortality, or at different rates of interest, also for business at other than European rates.
- NOTE 3.**—In cases also where separate valuations of any portion of the business are required under the laws in places outside British India, a summary statement must be furnished in respect of business so valued in each such place showing the total number of policies, the total sum assured and bonuses, the total office yearly premiums and the total net liability on the bases as to mortality and interest adopted in each such place, with a statement as to such bases respectively.

(The Fifth Schedule.)

(Form referred to under Heading No. 7 in Fourth Schedule)

Valuation Balance-sheet of _____ as at _____ 19 .

Dr.	Rs.	Cr.	Rs.
To net liability under life assurance and annuity transactions (as per summary statement provided in Fourth Schedule).		By life assurance and annuity funds (as per balance-sheet under Third Schedule).	
To surplus, if any		By deficiency, if any	

THE FIFTH SCHEDULE.

(See section 10.)

STATEMENT OF THE LIFE ASSURANCE AND ANNUITY BUSINESS OF THE _____ ON THE _____ 19 , TO BE SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of re-assurances corresponding to the statements in respect of assurances are to be given throughout) Separate statements are to be furnished in the replies to all the headings under this Schedule for business at other than European rates.

1. The published table or tables of premiums for assurances for the whole term of life and for endowment assurances which are in use at the date above-mentioned.

2. The total amount assured on lives for the whole term of life which are in existence at the date above-mentioned, distinguishing the portions assured with immediate profits, with deferred profits, and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year of life from the youngest to the oldest ages, the basis of division as to immediate and deferred profits being stated.

3. The

3. The amount of premiums receivable annually for each year of life, after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under Heading No. 2, distinguishing ordinary from extra premiums. A separate statement is to be given of premiums payable for a limited number of years, classified according to the number of years' payments remaining to be made.

4. The total amount assured under endowment assurances, specifying sums assured and office premiums separately in respect of each year in which such assurances will mature for payment. The reversionary bonuses must also be separately specified, and the sums assured with immediate profits, with deferred profits, and without profits separately returned.

5. The total amount assured under classes of assurance business, other than assurances dealt with under questions 2 and 4, distinguishing the sums assured under each class and stating separately the amount assured with immediate profits, with deferred profits, and without profits, and the total amount of reversionary bonuses.

6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under Heading No. 5, distinguishing ordinary from extra premiums.

7. The total amount of premiums which has been received from the commencement upon pure endowment policies which are in force at the date above-mentioned.

8. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life, and distinguishing male and female lives.

9. The amount of all annuities on lives other than those specified under Heading No. 8, distinguishing the amount of annuities payable under each class, and the amount of premiums annually receivable.

10. The average rate of interest yielded by the assets, whether invested or uninvested, constituting the life assurance fund of the company, calculated upon the mean fund of each year during the period since the last investigation, without deduction of income-tax.

It must be stated whether or not the mean fund upon which the average rate of interest is calculated includes reversionary investments.

11. A table of minimum values, if any, allowed for the surrender of policies for the whole term of life and for endowments and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of the application of such method to policies of different standing and taken out at various interval ages from the youngest to the oldest.

THE SIXTH SCHEDULE.

(*See sections 24 and 25.*)

RULES FOR VALUING ANNUITIES, LIFE POLICIES AND LIABILITIES.

Rule for valuing an annuity.

An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding-up, and the present value of the future annual premiums.

In calculating such present values interest is to be assumed at such rate, and the rate of mortality according to such tables, as the Court may direct.

The premium to be calculated is to be such premium as according to said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

Rule for valuing a liability.

The liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies

policies granted by such company, is to ascertain the value of the liability of the company to each such person, and give notice of such value to such persons in such manner as the Court may direct, and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in manner and within a time to be prescribed by a rule or order of the Court.