

# ACT No. XIII OF 1941.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 8th April, 1941.)

An Act further to amend the Insurance Act, 1938.

IV of 1938. **W**HEREAS it is expedient further to amend the Insurance Act, 1938, for the purposes herein-after appearing;

It is hereby enacted as follows:—

1. This Act may be called the Insurance (Amendment) Act, 1941. Short title.

IV of 1938. 2. In section 2 of the Insurance Act, 1938 (herein-after referred to as the said Act),— Amendment of section 2, Act IV of 1938.

(a) in clause (5), for the words "an insurer" the words "an insurer or a provident society as defined in Part III", and for the words "the insurer" the words "such insurer or provident society" shall be substituted;

(b) in clause (9), for the words "to which the provisions of Part III apply" the words "as defined in Part III" shall be substituted.

3. In section 3 of the said Act,—

(a) in the proviso to sub-section (1), for the words, brackets and figures "the expiry of one month from the commencement of the Insurance (Amendment) Act, 1940" the words "such date as may be fixed in this behalf by the Central Government by notification in the official Gazette" shall be substituted; Amendment of section 3, Act IV of 1938.

(b) in clause (g) of sub-section (2), for the word "one" the word "five" shall be substituted;

(c) in sub-section (4), to clause (d) the word "or" shall be added, and after clause (d) the following clause and words shall be added, namely:—

"(e) if, in the case of an insurer specified in sub-clause (c) of clause (9) of section 2, the standing contract referred to in that sub-clause is cancelled or is suspended and continues to be suspended for a period of six months,

and

Price annas 2 or 3d.

*Applies to the Darjeeling district and to the partially excluded areas of the Mymensingh district subject to certain modifications, with effect from 1st October, 1942, see Bengal Govt. Order No. 5312 Com, 27-25-42.*  
*Applies to all the partially included areas of the Province of Orissa see Orissa Govt. Order No. 957-III.C. 2/44-Com, 27-3-44.*

and the Superintendent of Insurance may cancel the registration of an insurer if the insurer has failed to have the registration renewed”;

- (d) in sub-section (5), after the words, brackets, letter and figure “clause (a) of sub-section (4)” the words, brackets, letter and figure “clause (e) of sub-section (4), or because the insurer has failed to have the registration renewed” shall be inserted;
- (e) in sub-section (5C), after the word, brackets and figure “sub-section (4)” the words, brackets, letter and figure “clause (e) of sub-section (4), or because the insurer has failed to have his registration renewed” and after the word and figures “section 98” the words, brackets, figures and letter “or has his standing contract restored or has had an application under sub-section (4) of section 3A accepted” shall be inserted.

Insertion of  
new section  
3A in Act IV  
of 1938.

Renewal of  
Registration.

4. After section 3 of the said Act the following section shall be inserted, namely :—

- “ 3A. (1) An insurer who has been granted a certificate of registration under section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December, 1941.
- (2) An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied as provided in sub-section (3) by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in India in each class of insurance business to which the registration relates.
  - (3) The prescribed fee for the renewal of a registration for any year shall be paid into the Reserve Bank of India, or, where there is no office of that Bank, into the Imperial Bank of India acting as the agent of that Bank, or into any Government treasury, and the receipt shall be sent along with the application for renewal of the registration.
  - (4) If an insurer fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so

long:

long as an application to the Court under sub-section (5D) of section 3 has not been made, accept an application for renewal of the registration on receipt from the insurer of the fee payable with the application and such penalty, not exceeding the prescribed fee payable by him, as the Superintendent of Insurance may require :

Provided that an appeal shall lie to the Central Government from an order passed by the Superintendent of Insurance imposing a penalty on the insurer.

- (5) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

5. In section 4 of the said Act,—

Amendment of  
section 4, Act  
IV of 1938.

- (a) in sub-section (1), for the words " a provident society to which Part III " the words " a provident society as defined in Part III " shall be substituted ;

- (b) for sub-section (2) the following sub-section shall be substituted, namely :—

" (2) Nothing contained in this section shall apply to any policy of the description known as a group policy, where the number of persons covered by the policy is not less than fifty or such smaller number as may be approved by the Superintendent of Insurance and a standard form of the policy has been certified in writing by the Superintendent of Insurance to be a policy of such description."

6. In sub-section (3) of section 5 of the said Act, for the words " to which Part III applies " the words " as defined in Part III " shall be substituted.

Amendment of  
section 5, Act  
IV of 1938.

7. In sub-section (9A) of section 7 of the said Act, after clause (b) the following words shall be added, namely :—

Amendment of  
section 7, Act  
IV of 1938.

" and may charge the normal commission on such sale or on such investment ".

8. In section 10 of the said Act,—

Amendment of  
section 10, Act  
IV of 1938.

- (a) to sub-section (1) the following words, brackets and letters shall be added, namely :—

" and where the insurer carries on business of the class specified in clause (d) of that sub-section whether alone or in conjunction with business of another

of another class, he shall, unless the Superintendent of Insurance waives this requirement in writing, keep a separate account of all receipts and payments in respect of each such sub-class of the class specified in clause (d) as may be prescribed in this behalf :

Provided that no sub-class of the class of insurance business specified in clause (d) of sub-section (1) of section 7 shall be prescribed under this sub-section if the insurance business comprised in the sub-class consists of insurance contracts which are terminable by the insurer at intervals not exceeding twelve months and under which, if a claim arises, the insurer's liability to pay benefit ceases within one year of the date on which the claim arose.”;

(b) in sub-section (2), for the words “ the excess of receipts over payments in respect of such business ” the following words shall be substituted, namely :—

“ all receipts due in respect of such business ” ;

(c) in sub-section (3), the words and figures “ save as provided in section 49 ” shall be omitted, and for the words “ other than those of life insurance ” the words “ other than those of the life insurance business of the insurer ” shall be substituted.

Amendment of  
section 11, Act  
IV of 1938.

9. In section 11 of the said Act,—

(a) in clause (c) of sub-section (1),—

(i) for the words “ in respect of each class of insurance business carried on by him ” the words, brackets and figures “ in respect of each class or sub-class of insurance business for which he is required under sub-section (1) of section 10 to keep a separate account of receipts and payments ” shall be substituted; and

(ii) for the words “ that class of insurance business ” the words “ that class or sub-class of insurance business ” shall be substituted ;

(b) in sub-section (2), for the words and figures “ to which the Indian Companies Act, 1913, applies ” the following shall be substituted, namely :—

“ as defined in clause (2) of sub-section (1) of section 2 of the Indian Companies Act, 1913,”

10. To

10. To section 13 of the said Act the following sub-section shall be added, namely :—

Amendment of  
section 13, Act  
IV of 1938.

“(6) The provisions of this section relating to life insurance business shall apply also to any such sub-class of insurance business included in the class ‘Miscellaneous Insurance’ as may be prescribed under sub-section (1) of section 10; and the Superintendent of Insurance may authorise such modifications and variations of the regulations contained in Part I of the Fourth and Fifth Schedules and of the requirements of Part II of those Schedules as may be necessary to facilitate their application to any such sub-class of insurance business :

Provided that, if the Superintendent of Insurance is satisfied that the number and amount of the transactions carried out by an insurer in any such sub-class of insurance business is so small as to render periodic investigation and valuation unnecessary, he may exempt that insurer from the operation of this sub-section in respect of that sub-class of insurance business.”

11. In sub-section (1) of section 15 of the said Act,—

Amendment of  
section 15, Act  
IV of 1938.

- (a) for the words “within six months” the words and figures “in the case of the accounts and statements referred to in section 11 within six months and in the case of the abstract and statement referred to in section 13 within nine months” shall be substituted ;
- (b) the sentence beginning with the words “The Superintendent of Insurance may extend” and ending with the words “by a period not exceeding three months” shall be omitted.

12. In sub-section (2) of section 16 of the said Act,—

Amendment of  
section 16, Act  
IV of 1938.

- (a) to clause (a) the words “as at the date of any balance-sheet so furnished” shall be added ;
- (b) in clause (b),—
- (i) for the words “for each class of insurance business carried on by him, a revenue account” the following words, brackets and figures shall be substituted, namely :—

“for each class or sub-class of insurance business for which he is required under sub-section (1) of section 10 to keep a separate account of receipts and payments, a revenue account for the period covered by any account so furnished” ;

(ii) for

(ii) for the words "that class of business" the words "that class or sub-class of insurance business" shall be substituted;

(c) for clause (c) the following clause shall be substituted, namely:—

"(c) a separate abstract of the valuation report in respect of all business transacted in India in each class or sub-class of insurance business to which section 13 refers, prepared in the manner required by that section, and".

Amendment of section 17, Act IV of 1938. 13. In section 17 of the said Act, after the words "and such copies so sent" the words "shall be chargeable with the same fees and" shall be inserted.

Amendment of section 21, Act IV of 1938. 14. To sub-section (2) of section 21 of the said Act the following proviso shall be added, namely:—

"Provided that no application under this sub-section shall be entertained unless it is made before the expiration of four months from the time when the Superintendent of Insurance made the order or declined to accept the return."

Amendment of section 22, Act IV of 1938. 15. In section 22 of the said Act, after the word "refers" the following shall be inserted, namely:—

"or an abstract of a valuation report furnished under clause (c) of sub-section (2) of section 16".

Omission of section 24, Act IV of 1938. 16. Section 24 of the said Act shall be omitted.

Amendment of section 26, Act IV of 1938. 17. To section 26 of the said Act the following sentence shall be added, namely:—

"All such particulars shall be authenticated in the manner required by that sub-section for the authentication of the matters therein referred to, and, where the alteration affects the assured rates, advantages, terms and conditions offered in connection with life insurance policies, the actuarial certificate referred to in clause (f) of the said sub-section shall accompany the particulars of the alteration."

Amendment of section 28, Act IV of 1938. 18. In section 28 of the said Act,—

(a) for sub-section (1) the following sub-sections shall be substituted, namely:—

"(1) Every insurer registered under this Act carrying on the business of life insurance shall every year, within thirty-one days from the beginning of the year, submit to the Superintendent of Insurance a statement showing

as at

as at the 31st day of December of the preceding year the assets held invested in accordance with section 27, and all other particulars necessary to establish that the requirements of that section have been complied with, and such statement shall be certified by a principal officer of the insurer.

- (2) Every such insurer shall also furnish, within fifteen days from the last day of March, June and September, a statement certified as aforesaid showing as at the end of each of the said months the assets held invested in accordance with section 27.
- (3) The Superintendent of Insurance may at his discretion require any insurer to whom sub-section (1) applies to submit before the 1st day of August in each or any year a statement of the nature referred to in sub-section (1), certified as required by that sub-section and prepared as at the 30th day of June.
- (4) In the case of an insurer having his principal place of business or domicile outside British India, the Superintendent of Insurance may, on application made by the insurer, extend the periods of fifteen and thirty-one days mentioned in the foregoing sub-sections to thirty days and sixty days, respectively.” ;
- (b) sub-section (2) shall be re-numbered as sub-section (5).

19. Section 29 of the said Act shall be re-numbered as sub-section (1) of that section and to the section as so re-numbered the following sub-section shall be added, namely :—

Amendment of  
section 29, Act  
IV of 1938.

“(2) The provisions of section 86D of the Indian Companies Act, 1913, shall not apply to a loan granted to a director of an insurer being a company, if the loan is one granted on the security of a policy on which the insurer bears the risk and the policy was issued to the director on his own life, and the loan is within the surrender value of the policy.”

20. In section 33 of the said Act, —

- (a) in sub-section (1), for the words beginning with “appoint an auditor or actuary or both” and ending with “himself make such investigation” the following shall be substituted, namely :—

Amendment of  
section 33, Act  
IV of 1938.

“order an investigation of the affairs of the insurer to be made by an auditor or actuary,  
or by

or by both an auditor and an actuary appointed simultaneously, or first by an auditor only or an actuary only and afterwards by an actuary or auditor, or may himself make such investigation :

Provided that an auditor or actuary appointed for this purpose by the Superintendent of Insurance shall not be an auditor or actuary in the employ of the insurer.” ;

(b) to sub-section (2) the following proviso shall be added, namely :—

“ Provided that no application under this sub-section shall be entertained unless it is made before the expiration of three months from the date on which the Superintendent of Insurance intimates to the insurer his intention to take such action.” ;

(c) for sub-section (3) the following sub-section shall be substituted, namely :—

“(3) The results of any investigation made under this section shall be recorded in writing by the auditor or actuary appointed or by the Superintendent of Insurance, as the case may be, and four copies of the record shall be supplied to the Superintendent of Insurance ; and when the investigation is completed a copy of such record, or where both an auditor and an actuary have been appointed, of each such record, shall be furnished by the Superintendent of Insurance to the insurer and to the shareholders or the policyholders who have sent a requisition for such an investigation.”

Amendment of  
section 34, Act  
IV of 1933.

21. In section 34 of the said Act,—

(a) after the words “ incidental to such investigation ” the words, brackets and figures “ including any expenses incurred before the making of an order by the Court under sub-section (2) of section 33 ” shall be inserted, and shall be deemed always to have been inserted ; and

(b) to the section the following words shall be added and shall be deemed always to have been added, namely :—

“ shall have priority over other debts due from the insurer, and shall be recoverable as an arrear of land-revenue ”.

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*Insurance (Amendment).*

22. In sub-section (3) of section 35 of the said Act,— Amendment of section 35, Act IV of 1938.

(a) for the words “and certified copies of the following documents shall be furnished to the Central Government and shall” the following words shall be substituted, namely :—

“and certified copies, four in number, of each of the following documents shall be furnished to the Central Government, and other such copies shall”;

(b) in the proviso, after the words and figures “sections 11 and 13” the following shall be inserted and shall be deemed always to have been inserted, namely :—

“of this Act or sections 7 and 8 of the Indian Life Assurance Companies Act, 1912”.

23. To section 36 of the said Act the following proviso shall be added, namely :— Amendment of section 36, Act IV of 1938.

“ Provided that—

(a) no part of the deposit made by any party to the amalgamation or transfer shall be returned except where, after effect is given to the arrangement, the whole of the deposit to be made by the insurer carrying on the amalgamated business or the person to whom the business is transferred is completed,

(b) only so much shall be returned as is no longer required to complete the deposit last mentioned in clause (a), and

(c) while the deposit last mentioned in clause (a) remains uncompleted, no accession, resulting from the arrangement, to the amount already deposited by the insurer carrying on the amalgamated business or the person to whom the business is transferred shall be appropriated as payment or part payment of any instalment of deposit subsequently due from him under section 7 or section 98.”

24. In section 37 of the said Act,—

Amendment of section 37, Act IV of 1938.

(a) for the words “where any business of one insurer is transferred to another” the words “where any business of an insurer is transferred” shall be substituted;

(b) for the words “the insurer to whom the business is transferred” the words “the person to whom the business is transferred” shall be substituted;

(c) for

- (c) for the words "furnish to the Central Government" the words "furnish in duplicate to the Central Government" shall be substituted;
- (d) in clause (b), for the words "a declaration signed by every insurer concerned" the words "a declaration signed by every party concerned" shall be substituted;
- (e) for clause (c) the following clause shall be substituted, namely:—

"(c) where the amalgamation or transfer has not been made in accordance with a scheme sanctioned by the Court under section 36—

(i) balance-sheets in respect of the insurance business of each of the insurers concerned in such amalgamation or transfer, prepared in the Form set forth in Part II of the First Schedule and in accordance with the regulations contained in Part I of that Schedule, and

(ii) certified copies of any other reports on which the scheme of amalgamation or transfer was founded."

Amendment of section 38, Act IV of 1938.

25. In sub-section (2) of section 38 of the said Act, for the words "together with" the word "and" and for the words "has been delivered" the words "have been delivered" shall be substituted.

Amendment of section 39, Act IV of 1938.

26. In section 39 of the said Act,—

- (a) in sub-section (1), the words "not being an absolute assignee of the benefits under the policy" shall be omitted;
- (b) to sub-section (4) the following proviso shall be added, namely:—

"Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its re-assignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy."

Amendment of section 41, Act IV of 1938.

27. In section 41 of the said Act,—

- (a) in sub-section (1),—
  - (i) for the words "effect or renew" the words "take out or renew or continue" shall be substituted, and after the word "renewing" the words "or continuing" shall be inserted;
  - (ii) the

(ii) the following proviso shall be added :—

“ Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a *bona fide* insurance agent employed by the insurer.”;

(b) in sub-section (2), for the words “ effecting or renewing ” the words “ taking out or renewing or continuing ” shall be substituted.

28. In section 42 of the said Act,—

Amendment of  
section 42, Act  
IV of 1933.

(a) in sub-section (1), for the words “ one rupee ” the words “ three rupees ” and for the words “ making an application under this section ” the words “ making an application in the prescribed manner ” shall be substituted ;

(b) in sub-section (3), for the words “ a fee of one rupee ” the following words shall be substituted, namely :—

“ the prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the licence does not reach the issuing authority before the date on which the licence ceases to remain in force ”;

(c) in sub-section (4),—

(i) in clause (c)—

(a) after the word “ cheating ” the following words shall be inserted, namely :—

“ or forgery or an abetment of or attempt to commit any such offence ”;

(b) the following proviso shall be added, namely :—

“ Provided that, where at least five years have elapsed since the completion of the sentence imposed on any person in respect of any such offence, the Superintendent of Insurance shall ordinarily declare in respect of such person that his conviction shall cease to operate as a disqualification under this clause ; ”;

(ii) in

*Insurance (Amendment).*

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(ii) in clause (d), for the words "against an insurer or an assured" the words "against an insurer or an insured" shall be substituted ;

(d) after sub-section (5) the following sub-section shall be added, namely :—

"(6) The authority which issued any licence under this section may issue a duplicate licence to replace a licence lost, destroyed or mutilated on payment of the prescribed fee which shall not be more than one rupee."

Amendment of section 43, Act IV of 1938.

29. In sub-section (1) of section 43 of the said Act the word "licensed", in both places where it occurs, shall be omitted.

Amendment of section 44, Act IV of 1938.

30. In section 44 of the said Act the words and figures "licensed under section 42" shall be omitted.

Amendment of section 45, Act IV of 1938.

31. In section 45 of the said Act,—

(a) for the words "was on a material matter and fraudulently made" the words "was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made" shall be substituted, and after the words "that the statement was false" the words "or that it suppressed facts which it was material to disclose" shall be added ;

(b) the following proviso shall be added, namely :—

"Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal."

Amendment of section 47, Act IV of 1938.

32. In sub-section (1) of section 47 of the said Act, for the words "the insurer shall" the words "the insurer may" shall be substituted.

Amendment of section 48, Act IV of 1938.

33. In section 48 of the said Act,—

(a) in sub-section (1), for the words beginning with "shall be persons having the prescribed qualifications" and ending with "by the holders of policies

policies of life insurance issued by the company" the following words shall be substituted, namely:—

"shall notwithstanding anything to the contrary in the Articles of Association of the company be elected in the prescribed manner by the holders of policies of life insurance issued by the company";

(b) sub-section (2) shall be re-numbered as sub-section (4) and the following shall be inserted as sub-sections (2) and (3), namely:—

"(2) Only and all persons holding otherwise than as assignees policies of life insurance issued by the company of such minimum amount and having been in force for such minimum period as may be prescribed shall be eligible for election as directors under sub-section (1), and only and all persons holding policies of life insurance issued by the company and having been in force at the time of the election for not less than six months shall be eligible to vote at such elections:

Provided that the assignment of a policy to the person who took out the policy shall not disqualify that person for being eligible for election as a director under sub-section (1).

(3) The Central Government may, for such period, or to such extent and subject to such conditions as may be specified by it in this behalf, exempt from the operation of this section—

(a) any Mutual Insurance Company as defined in clause (a) of sub-section (1) of section 95, in respect of which the Superintendent of Insurance certifies that in his opinion owing to the conditions governing membership of the company or to the nature of the insurance contracts undertaken by it the application of the provisions of this sub-section to the company is impracticable, or

(b) any company in respect of which the Superintendent of Insurance certifies that in his opinion the company, having taken all reasonable steps to achieve compliance with the provisions of this section, has been unable to obtain the required number of directors with the required qualifications."

Substitution of new section for section 49, Act IV of 1938.

34. For section 49 of the said Act the following section shall be substituted, namely :—

Restriction on dividends and bonuses.

“49. No insurer, being an insurer specified in sub-clause (a) (ii) or sub-clause (b) of clause (9) of section 2, who carries on the business of life insurance or any other class or sub-class of insurance business to which section 13 applies, shall, for the purpose of declaring or paying any dividend to shareholders or any bonus to policy-holders or of making any payment in service of any debentures, utilize directly or indirectly any portion of the life insurance fund or of the fund of such other class or sub-class of insurance business, as the case may be, except a surplus shown in the valuation balance-sheet in Form I as set forth in the Fourth Schedule submitted to the Superintendent of Insurance as part of the abstract referred to in section 15 as a result of an actuarial valuation of the assets and liabilities of the insurer; nor shall he increase such surplus by contributions out of any reserve fund or otherwise unless such contributions have been brought in as revenue through the revenue account applicable to that class or sub-class of insurance business on or before the date of the valuation aforesaid, except when the reserve fund is made up solely of transfers from similar surpluses disclosed by valuations in respect of which returns have been submitted to the Superintendent of Insurance under section 15 of this Act or to the Central Government under section 11 of the Indian Life Assurance Companies Act, 1912 :

VI of 1912.

Provided that payments made out of any such surplus in service of any debentures shall not exceed fifty per cent. of such surplus including any payment by way of interest on the debentures, and interest paid on the debentures shall not exceed ten per cent. of any such surplus except when the interest paid on the debentures is offset against the interest credited to the fund or funds concerned in deciding the interest basis adopted in the valuation disclosing the aforesaid surplus.”

Amendment of section 50, Act IV of 1938.

35. To section 50 of the said Act the following words shall be added, namely :—

“ unless these are set forth in the policy ”.

36. Section

OF 1941.]

*Insurance (Amendment).*

**36.** Section 52 of the said Act shall be re-numbered as sub-section (1) of that section and to the section as so re-numbered the following sub-sections shall be added, namely :—

Amendment of  
section 52, Act  
IV of 1933.

XIII of 1941.

“(2) On the expiry of the period of three years referred to in sub-section (1), or on the insurer's ceasing before such expiry but at any time after the commencement of the Insurance (Amendment) Act, 1941, to carry on business on the dividing principle, the insurer shall forthwith cause an investigation to be made by an actuary, who shall determine the amount accumulated out of the contributions received from the holders of all policies to which the dividing principle applies and the extent of the claims of those policy-holders against the realisable assets of the insurer, and shall, before the expiration of six months from the date on which he is entrusted with the investigation, make recommendations regarding the distribution, whether by cash payments or by the allocation of paid up policies or by a combination of both methods, of such assets as he finds to appertain to such policy-holders; and the insurer shall, before the expiry of six months from the date on which the actuary makes his recommendations, distribute such assets in accordance with those recommendations.

XIII of 1941.

(3) Where at any time prior to the commencement of the Insurance (Amendment) Act, 1941, an insurer has ceased to carry on business on the dividing principle, the insurer shall, before the expiration of two months from the commencement of that Act, report to the Superintendent of Insurance the measures taken or proposed by him for the distribution among holders of policies to which the dividing principle applies of the assets due to them; and the Superintendent of Insurance may either sanction such measures or refuse his sanction, and, if he refuses his sanction or if the insurer does not report to him as required by this sub-section, the provisions of sub-section (2) shall apply to the insurer forthwith.”

**37.** In section 53 of the said Act,—

(a) in sub-section (1), for the word “Chapter” the word “Act” shall be substituted;

Amendment of  
section 53, Act  
IV of 1933.

(b) in

- (b) in sub-clause (ii) of clause (b) of sub-section (2), after the words "has continued such failure" the words "or having contravened any provision of this Act has continued such contravention" and after the words "notice of such failure" the words "or contravention" shall be inserted.

Amendment of  
section 69, Act  
IV of 1938.

38. In section 69 of the said Act,—

- (a) in sub-section (1), for the words "the results of a distribution, amongst policies maturing for payment within certain time-limits, of certain sums" the following words shall be substituted, namely:—

"the results of a distribution of certain sums amongst policies becoming claims within certain time-limits, or on the principle that the premiums payable by a policy-holder depend wholly or partly on the number of policies becoming claims within certain time-limits";

- (b) after sub-section (2) the following sub-section shall be added, namely:—

"(3) Where after the commencement of the Insurance (Amendment) Act, 1941, a provident society is to be wound up in pursuance of this section, or where, whether before or after the commencement of that Act, a provident society ceases to carry on business on the dividing principle, the provisions of sub-section (2) and sub-section (3) of section 52 shall, so far as may be, apply in like manner as they apply to an insurer ceasing to carry on business on the dividing principle."

39. In section 70 of the said Act,—

Amendment of  
section 70, Act  
IV of 1938.

- (a) in sub-section (2),—

(i) in clause (a), after the words and figures "Indian Companies Act, 1913," the words and figures "or under the Indian Companies Act, 1882, or under the Indian Companies Act, 1866, or under any Act repealed thereby," shall be inserted;

- (ii) to clause (b) the following words shall be added, namely:—

"the full address of the registered office of the society, the full address of the principal office of the society in British India, the

name



name of the manager at such office, and the name and address of some one or more persons resident in British India authorised to accept any notice required to be served on the society”;

- (iii) the word “and” at the end of clause (c) shall be omitted and after clause (d) the following word and clause shall be added, namely:—

“and

- (e) the prescribed fee for registration being not more than two hundred rupees.”;

- (b) in sub-section (4),—

- (i) in clause (c), after the word “requirement” the words “or having contravened any provision” and after the word “failure”, in both places where it occurs, the words “or contravention” shall be inserted;

- (ii) after the proviso the following proviso shall be added, namely:—

“Provided further that the Superintendent of Insurance may, without previous notice and without application to the Court for sanction,—

- (a) cancel the registration of a provident society which has failed to have its registration renewed, or

- (b) cancel, on such terms and conditions as he thinks fit, the registration of any provident society which applies to him for such cancellation if he is satisfied that the society has ceased to carry on insurance business and that all its liabilities in respect of insurance policies are either satisfied or otherwise provided for.”;

- (c) after sub-section (4) the following sub-sections shall be added, namely:—

“(5) When a registration is cancelled the provident society shall not, after the cancellation has taken effect, enter into any new contracts of insurance, but all rights and liabilities in respect of contracts of insurance entered into by it before such cancellation takes effect shall, subject to the provisions of section 88, continue as if the cancellation had not taken place.

(6) Where

- (6) Where a registration is cancelled under clause (b) of sub-section (4), or because the society has failed to have its registration renewed, the Superintendent of Insurance may at his discretion revive the registration if the provident society, within six months from the date on which the cancellation took effect, makes the deposits required by section 73 or has had an application under sub-section (3) of section 70A accepted, as the case may be, and complies with any directions which may be given to it by the Superintendent of Insurance."

Insertion of new sections 70A and 70B in Act IV of 1938.

Renewal of registration.

40. After section 70 of the said Act the following sections shall be inserted, namely :—

" 70A. (1) Every provident society registered under this Act, or under the Provident Insurance Societies Act, 1912, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June, 1942. V of 1912

- (2) An application for the renewal of a registration shall be made by the society to the Superintendent of Insurance before the 30th day of June preceding the period for which renewal is sought, and shall be accompanied as provided in sub-section (3) by evidence of payment of the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the society.
- (3) The prescribed fee for the renewal of a registration for any year shall be paid into the Reserve Bank of India, or, where there is no office of that Bank, into the Imperial Bank of India acting as the agent of that Bank, or into any Government treasury, and the receipt shall be sent along with the application for renewal of the registration.
- (4) If a provident society fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with the application and such penalty, not exceeding the prescribed fee payable by the society, as he may require.

(5) The

(5) The Superintendent of Insurance shall, on being satisfied that the society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renewal of registration.

70B. (1) Every provident society registered under section 70 before the commencement of the Insurance (Amendment) Act, 1941, shall, before the expiration of three months from the commencement of the Insurance (Amendment) Act, 1941, furnish to the Superintendent of Insurance such particulars in addition to those already supplied for the purpose of obtaining registration as are required by sub-section (2) of section 70 of this Act as amended by the Insurance (Amendment) Act, 1941.

Supplementary information and reports of alterations in particulars furnished with application for registration.

XIII of 1941.

(2) Every provident society registered under the provisions of the Provident Insurance Societies Act, 1912, shall, before the expiration of three months from the commencement of the Insurance (Amendment) Act, 1941, furnish to the Superintendent of Insurance so far as it has not already done so the documents and information required by clauses (a) and (b) of sub-section (2) of section 70 to accompany an application by a provident society for registration under that section.

V of 1912.

XIII of 1941.

(3) When any alteration occurs or is made which affects any of the matters which are required under the provisions of sub-section (2) of section 70 to accompany an application by a provident society for registration under that section, or are to be furnished to the Superintendent of Insurance under this section, the provident society shall furnish forthwith to the Superintendent of Insurance full particulars duly authenticated of such alteration."

41. In section 72 of the said Act, the words "established after the commencement of this Act" shall be omitted.

Amendment of section 72, Act IV of 1938.

42. In sub-section (1) of section 74 of the said Act,—

Amendment of section 74, Act IV of 1938.

(a) the words "established after the commencement of this Act" shall be omitted ;

(b) in clause (c), after the words and figures "Indian Companies Act, 1913," the words and figures "or under the Indian Companies Act, 1882, or under the Indian Companies Act, 1866, or under any Act repealed thereby," shall be inserted.

43. In

Amendment of  
section 77, Act  
IV of 1938.

43. In section 77 of the said Act, for the words "shall have an office" the words "shall have in British India a principal office" shall be substituted.

Amendment of  
section 79, Act  
IV of 1938.

44. In section 79 of the said Act,—

(a) for the words "shall keep at its registered office" the words "shall keep at its principal office in British India" shall be substituted;

(b) for clauses (a) to (d) the following clause shall be substituted, namely:—

"(a) such registers in such form as may be prescribed;"

(c) clauses (e), (f) and (g) shall be re-lettered, respectively, as clauses (b), (c) and (d).

Amendment of  
section 82, Act  
IV of 1938.

45. In section 82 of the said Act,—

(a) in sub-section (1), for the words "and the statements referred to" the words "shall be printed and four copies of these and of the statements referred to" and for the words "within three months" the words "within six months" shall be substituted;

(b) in sub-section (3), before the words "The provisions of section 17" the following shall be inserted, namely:—

"The provisions of sub-section (2) of section 15 relating to the copies therein referred to shall apply to the returns referred to in sub-section (1) of this sub-section, and", and to the sub-section as so amended the following shall be added, namely:—

"and the Superintendent of Insurance may exercise, in respect of returns made by a provident society and in respect of an investigation or valuation to which section 81 refers, the same powers as are exercisable by him under section 21 and section 22, respectively, in the case of an insurer".

Amendment of  
section 83, Act  
IV of 1938.

46. In section 83 of the said Act,—

(a) in sub-section (1), for the word "established" the word "registered", for the words "shall cause any new scheme which it proposes to put into operation" the words "shall cause any scheme which it proposes to put into operation for the first time" and for the words "that the scheme is sound" the words "that the rates, advantages, terms and conditions of the scheme are workable and sound" shall be substituted;

(b) in

(b) in sub-section (3), for the words "and shall send the report of the actuary" the words, brackets and figures "and shall, before the expiration of six months from the commencement of the Insurance (Amendment) Act, 1941, send the report of the actuary" shall be substituted;

(c) in sub-section (4), for the words "it is actuarially sound" the words "the rates, advantages, terms and conditions are workable and sound" shall be substituted;

(d) for sub-section (5) the following sub-section shall be substituted, namely:—

"(5) If the rates, advantages, terms and conditions of any scheme are not reported by the actuary to be workable and sound, the Superintendent of Insurance shall give notice to the society prohibiting the scheme, and the society shall not after its receipt of such notice enter into any new contract of insurance under the scheme, but all rights and liabilities in respect of contracts of insurance entered into by the society before receipt of the notice shall, subject to the provisions of sub-section (6), continue as if the notice had not been given."

(e) in sub-section (6), for the word "discontinued", in both places where it occurs, the word "prohibited" and for the word "discontinuance" the word "prohibition" shall be substituted.

47. In section 85 of the said Act,—

Amendment of  
section 85, Act  
IV of 1938.

(a) in sub-section (1), for the words "invest all surplus assets in such securities" the following words shall be substituted, namely:—

"invest in such securities every increase that takes place in those assets and in that part of those assets which is held in cash as soon as practicable after the increase takes place and in any case within six months of its taking place",

and to the sub-section as so amended the following proviso shall be added, namely:—

"Provided that for the purpose of determining the amount to be invested under this sub-section, any deposit made in cash under section 73 shall be taken into account as if

such

such cash were Government securities amounting at the market value of the securities on the date the deposit was made to the total deposited in cash.”;

(b) after sub-section (4) the following sub-section shall be added, namely :—

“(5) The provisions of section 86D of the Indian Companies Act, 1913, shall not apply to a <sup>VII of 1913.</sup> loan granted to a director of a provident society being a company if the loan is one granted on the security of a policy on which the society bears the risk and the policy was issued to the director on his own life and the loan is within the surrender value of the policy.”

Amendment of section 87, Act IV of 1938.

48. In section 87 of the said Act,—

(a) in sub-section (1), after the words “ the principal office of a provident society ” the words “ or the principal office in British India of a society having its principal place of business or domicile outside British India ” shall be inserted, and to the sub-section as so amended the following words shall be added, namely :—

“ or by both an auditor and an actuary appointed simultaneously, or first by an auditor only or an actuary only and afterwards by an actuary or auditor.”;

(b) for sub-section (3) the following sub-section shall be substituted, namely :—

“(3) The results of any such inquiry shall be recorded in writing by the person making the inquiry, and four copies of the record shall be supplied to the Superintendent of Insurance ; and when the inquiry is completed, a copy of the record, or of each such record where more than one are made in the course of the same inquiry, shall be sent by the Superintendent of Insurance to the society concerned and shall be open to inspection by any member or policy-holder of the society.”;

(c) after sub-section (3), as so substituted, the following sub-section shall be added, namely :—

“(4) All expenses of and incidental to any inquiry made by an auditor or actuary under sub-section (1) including any expenses incurred

before

before the date on which the Superintendent of Insurance receives notice of an appeal under clause (e) of sub-section (1) of section 110 shall be defrayed by the provident society, shall have priority over other debts due from the society, and shall be recoverable as an arrear of land-revenue."

49. In section 88 of the said Act,—

Amendment of  
section 88, Act  
IV of 1938.

- (a) in sub-sections (1), (3) and (4), after the words and figures "Indian Companies Act, 1913," the words and figures "or under the Indian Companies Act, 1882, or under the Indian Companies Act, 1866, or under any Act repealed thereby" shall be inserted;
- (b) in sub-sections (1) and (3), for the words "that Act" the words and figures "the Indian Companies Act, 1913" shall be substituted.

50. In section 90 of the said Act,—

Amendment of  
section 90, Act  
IV of 1938.

- (a) to sub-section (1) the following proviso shall be added, namely:—

"Provided that if the Superintendent of Insurance is not satisfied that the assets of the society are sufficient to meet the costs of liquidation including the remuneration of the liquidator, he may decline to make such appointment, and in such a case the society shall itself appoint a liquidator who shall carry out the liquidation as if the winding up was being done by an order of the Court."

- (b) in sub-section (2), for the words "so appointed" the words "appointed by the Superintendent of Insurance under sub-section (1)" shall be substituted.

51. In clause (d) of sub-section (1) of section 91 of the said Act, after the word "liquidation" the following shall be inserted, namely:—

Amendment of  
section 91, Act  
IV of 1938.

"including the remuneration of the liquidator and any expenses incurred under clause (g) of this sub-section".

52. To section 92 of the said Act the following sub-section shall be added, namely:—

Amendment of  
section 92, Act  
IV of 1938.

"(13) The costs of the liquidation including the remuneration of the liquidator and any expenses incurred under clause (g) of sub-section (1) of section 91 shall, if the liquidator decides that they shall be payable out of the assets of the society, be payable in priority to all other claims."

53. In

Amendment of  
section 98, Act  
IV of 1938.

53. In section 98 of the said Act,—

(a) in sub-section (2), for the words "of twenty-five thousand rupees" the words "of not less than twenty-five thousand rupees", for the words "to twenty-five thousand rupees" the words "to not less than twenty-five thousand rupees", and for the words "equal to one-third of the gross premium" the words "equal to not less than one-third of the gross premium" shall be substituted, and shall be deemed always to have been substituted;

(b) after sub-section (2), the following sub-section shall be added, and shall be deemed always to have been added, namely:—

"(3) The provisions of sub-section (7) of section 7 shall apply in respect of a Mutual Insurance Company and a Co-operative Life Insurance Society as if for the words 'under the foregoing provisions of this section' the words and figures 'under the provisions of section 98' were substituted."

Amendment of  
section 100,  
Act IV of 1938.

54. In the proviso to section 100 of the said Act, the words "balance-sheet, revenue account and" shall be omitted and to the proviso as so amended the following words shall be added, namely:—

"and any member of the company domiciled in that province shall be entitled on application to the company to receive from it a copy of the balance-sheet and revenue account".

Amendment of  
section 102,  
Act IV of 1938.

55. In sub-section (2) of section 102 of the said Act, for the words "any provident society which makes default in complying with any of the requirements of Part III" the words "any provident society as defined in Part III which makes default in complying with or acts in contravention of any of the requirements of this Act" shall be substituted and after the word "default", in the second, third and fourth places where it occurs, the words "or contravention" shall be inserted.

Amendment of  
section 103,  
Act IV of 1938.

56. In section 103 of the said Act,—

(a) in sub-section (1), for the word "transacts" the words "carries on" shall be substituted, the words and figures "section 6" and "section 97" shall be omitted, and for the word "transacted" the words "carried on" shall be substituted;

(b) in the proviso to sub-section (2), for the words "this section" the words, brackets and figures "sub-section (1) or sub-section (2)" shall be substituted;

(c) after



OF 1941.]

*Insurance (Amendment).*

(c) after sub-section (2) the following sub-section shall be added, namely :—

“(3) Any provident society or any person acting on behalf of a provident society who carries on any class of insurance business in contravention of any of the provisions of section 70, section 73 or section 83 or does any one or more of the acts constituting the business of insurance in relation to any insurance business carried on in contravention of any of the said sections shall be punishable with fine which may extend to one thousand rupees.”

57. Section 105 of the said Act shall be re-numbered as sub-section (1) of that section and to the section as so re-numbered the following sub-section shall be added, namely :—

Amendment of section 105, Act IV of 1938.

“(2) This section shall apply in respect of a provident society as defined in Part III as it applies in respect of an insurer.”

58. (1) Section 106 of the said Act shall be re-numbered as sub-section (1) of that section.

Amendment of section 106, Act IV of 1938.

(2) In the section as so re-numbered, after the words “If on the application of” the words “the Superintendent of Insurance or” shall be inserted and to the section as so amended the following sub-section shall be added, namely :—

“(2) This section shall apply in respect of a provident society as defined in Part III as it applies in respect of an insurer.”

59. Section 107 of the said Act shall be re-numbered as sub-section (1) of that section and to the section as so re-numbered the following sub-section shall be added, namely :—

Amendment of section 107, Act IV of 1938.

“(2) This section shall apply in respect of a provident society as defined in Part III as it applies in respect of an insurer.”

60. In section 110 of the said Act, after sub-section (3) the following sub-section shall be added, namely :—

Amendment of section 110, Act IV of 1938.

“(4) No appeal under this section shall be entertained unless it is made before the expiration of four months from the date on which the order appealed against was communicated to the appellant.”

61. In

Amendment of  
section 113,  
Act IV of 1938.

61. In section 113 of the said Act,—

(a) for sub-sections (1) and (2) the following sub-sections shall be substituted, namely :—

“(1) A policy of life insurance under which the whole of the benefits become payable either on the occurrence, or at a fixed interval or fixed intervals after the occurrence, of a contingency which is bound to happen, shall, if all premiums have been paid for at least three consecutive years in the case of a policy issued by an insurer, or five years in the case of a policy issued by a provident society as defined in Part III, acquire a guaranteed surrender value, to which shall be added the surrender value of any subsisting bonus already attached to the policy, and every such policy issued by an insurer shall show the guaranteed surrender value of the policy at the close of each year after the second year of its currency or at the close of each period of three years throughout the currency of the policy :

Provided that the requirements of this sub-section as to the addition of the surrender value of the bonus attaching to a policy at surrender shall be deemed to have been complied with where the method of calculation of the guaranteed surrender value of the policy makes provision for the surrender value of the bonus attaching to the policy :

Provided further that the requirements of this sub-section as to the showing of the guaranteed surrender value on a policy shall be deemed to have been complied with where the insurer shows on the policy the guaranteed surrender value of the policy by means of a formula accepted in this behalf by the Superintendent of Insurance as satisfying the said requirements :

Provided further that the provisions of this sub-section as to the showing of the guaranteed surrender value on a policy shall not take effect until after the expiry of six months from such date as the Central Government may, by notification in the official Gazette, appoint in this behalf.

(2) Notwithstanding

(2) Notwithstanding any contract to the contrary, a policy which has acquired a surrender value shall not lapse by reason of the non-payment of further premiums but shall be kept alive to the extent of the paid-up sum insured, and the paid-up sum insured shall for the purposes of this sub-section include in full all subsisting reversionary bonuses that have already attached to the policy, and shall, where the policy is one on which the maximum number of annual premiums payable is fixed and the premiums are of uniform amount, be before the inclusion of such bonuses not less than the amount bearing to the total sum insured by the policy exclusive of bonuses the same proportion as the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable.

(3) A policy kept alive to the extent of the paid-up sum insured under sub-section (2) shall not be entitled by virtue of that sub-section to participate in any profits declared distributable after the conversion of the policy into a paid-up policy.”;

(b) sub-section (3) shall be re-numbered as sub-section (4) and in that sub-section as so re-numbered,—

(i) for the words “This section shall not apply to” the following shall be substituted, namely:—

“Sub-section (2) and sub-section (3) shall not apply”;

(ii) clause (a) shall be omitted;

(iii) for clause (b) the following clause shall be substituted, namely:—

“(a) where the paid-up sum insured by a policy, being a policy issued by an insurer, is less than one hundred rupees inclusive of any attached bonus, or takes the form of an annuity of less than twenty-five rupees, or where the paid-up sum insured by a policy, being a policy issued by a provident society as defined in Part III, is less than fifty rupees inclusive of any attached bonus or takes the form of an annuity of less than twenty-five rupees, or”;

(iv) clauses

(iv) clauses (c) and (d) shall be re-lettered as clauses (b) and (c), respectively.

Amendment of section 114, Act IV of 1938. Act,—

62. In sub-section (2) of section 114 of the said

(a) for clause (b) the following clause shall be substituted, namely :—

“(b) the manner in which it shall be determined which of the transactions of an insurer are to be deemed for the purposes of this Act to be insurance business transacted in India or in British India, as the case may be ;” ;

(b) in clause (g), after the words “ may be ” the words “ applied for, ” shall be inserted.

Amendment of section 116, Act IV of 1938.

63. Section 116 of the said Act shall be re-numbered as sub-section (1) of that section and to the section as so re-numbered the following sub-section shall be added, namely :—

“(2) This section shall apply in respect of provident societies as defined in Part III as it applies in respect of insurers .”

Insertion of new section 116A in Act IV of 1938.

64. After section 116 of the said Act the following section shall be inserted, namely :—

“116A. The Central Government shall every year cause to be published, in such manner as it may direct, a summary of the accounts, balance-sheets, statements, abstracts and other returns under this Act or purporting to be under this Act which have been furnished in pursuance of the provisions of this Act to the Superintendent of Insurance during the year preceding the year of publication, and may append to such summary any note of the Superintendent of Insurance or of the Central Government and any correspondence :

Provided that nothing in this section shall require the publication of the statements referred to in sub-section (1) of section 28.”

Amendment of section 117, Act IV of 1938.

65. In section 117 of the said Act, after the words “ being a company ” the words “ or a provident society as defined in Part III being a company ” shall be inserted.

Amendment of section 118, Act IV of 1938.

66. In section 118 of the said Act, after the words “ and to such extent ” the words “ or subject to such conditions or modifications ” shall be inserted.

67. For

OF 1941.] *Insurance (Amendment).*

67. For section 119 of the said Act the following section shall be substituted, namely :—

Substitution of new section for section 119, Act IV of 1938.

“ 119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (f) of sub-section (2) of section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy. ”

Inspection and supply of copies of published prospectus, etc.

68. After section 121 of the said Act the following section shall be inserted, namely :—

Insertion of new section 122 in Act IV of 1938.

IX of 1908.

“ 122. In Item No. 86 in the First Schedule to the Indian Limitation Act, 1908,—

Amendment of Schedule I, Act IX of 1908:

(a) for the entry in the first column the following shall be substituted, namely :—

‘ (a) On a policy of insurance when the sum insured is payable after proof of the death has been given to or received by the insurers.

(b) On a policy of insurance when the sum insured is payable after proof of the loss has been given to or received by the insurers.’;

(b) for the entry in the third column the following shall be substituted, namely :—

‘ (a) The date of the death of the deceased.

(b) The date of the occurrence causing the loss.’ ”

69. In Form A contained in Part II of the First Schedule to the said Act,—

Amendment of First Schedule, Act IV of 1938.

(a) in the first column, after the entry “ Miscellaneous Insurance Business Account ” the brackets and letter “ (m) ” shall be added ;

(b) in the fifth column, after the entry “ Outstanding Premiums (g) ” the brackets and letter “ (d) ” shall be added, and

(c) after foot-note (l) the following shall be added, namely :—

“(m) Where the insurer is required to maintain a separate account in respect of any sub-class of miscellaneous insurance business this heading is to be split up accordingly. ”

70. In the Third Schedule to the said Act,—

Amendment of Third Schedule, Act IV of 1938.

(a) in regulation 1 contained in Part I, after the words “ for every class ” the words “ or sub-class ” shall be inserted ;

(b) in

29

(b) in regulation 2,—

- (i) after the words “miscellaneous insurance” the words “exclusive of any sub-class of such business in respect of which the insurer is required to maintain a separate account” shall be inserted; and
- (ii) the following sentence shall be added, namely:—

“For a sub-class of miscellaneous insurance in respect of which the insurer is required to maintain a separate account, Form D or Form F as set out in Part II of this Schedule may be used with such modifications as the Superintendent of Insurance may authorise.”;

(c) in Form D contained in Part II,—

- (i) in the first column the entry “Commission to insurance agents (less that on Re-insurances)” shall be omitted, and for the entry “1. Allowances and Commission (other than commission to insurance agents)” the following entry shall be substituted, namely:—
  - “1. (a) Commission to insurance agents (less that on Re-insurances).
  - (b) Allowances and Commission [other than commission included in sub-item (a) preceding]”;
- (ii) in the first column, after the entry “5. Auditors’ fees” the entry “6. Medical fees” shall be inserted, and the existing entries numbered 6 to 12 shall be re-numbered 7 to 13, respectively;
- (iii) all the horizontal lines appearing in the columns and the letters “Rs.” against the entries “Interest, Dividends and Rents” and “Less—Income-tax thereon (d)” shall be omitted, and horizontal lines under which the totals of the columns are to be inserted shall be added at the foot of each column;
- (iv) in note (a) the words “In the case of an insurer having his head office in British India” shall be omitted.

71. In Part II of the Fourth Schedule to the said Act,—

Amendment of  
Fourth Sched-  
ule, Act IV  
of 1938.

(a) in the opening paragraph beginning with the words "The following tabular statements"—

(i) in clause (d), for the semi-colon and the word "and" at the end of the clause the following shall be substituted, namely:—

"for the intervaluation period (except that it shall not be necessary to prepare such statement in respect of any class of business so long as the insurer deposits annually with the Superintendent of Insurance an abstract in respect of that class of business)";

(ii) clause (e) shall be omitted;

(b) in sub-paragraph (2) of the paragraph numbered 8, for the words "as at the valuation date" the words "as a result of this valuation" shall be substituted;

(c) in the paragraph numbered 9, between the word "fourth" and the word "sixth" the word "fifth" shall be inserted;

(d) for Form G the form contained in the Schedule to this Act shall be substituted;

(e) in Form J, for the heading to the first column "Number of premiums paid" the following heading shall be substituted, namely:—

"Number of annual premiums paid up to the valuation date"

and the following note shall be added after the existing note, namely:—

"NOTE.—The reserve value is to be based on the rate of office premium payable by an insured who entered at the age shown and who had, by the valuation date, paid the number of annual premiums shown in the first column."

SCHEDULE.





	Business within India. (a)	Total.		Business within India. (a)	Total.
	Rs.	Rs.		Rs.	Rs.
5. Auditors' fees . . .					
6. Medical fees . . .					
7. Law charges . . .					
8. Advertisements . . .					
9. Printing & Stationery					
10. Other expenses of management (accounts to be specified).					
11. Other payments (accounts to be specified).					
12. Rent for offices belonging to and occupied by the insurer.					
13. Rents of other offices occupied by the insurer.					
Bad debts					
United Kingdom, British Indian, Dominion and Foreign Taxes.					
Other Expenditure (to be specified).					
Profit transferred to Profit and Loss Account.					
Balance of Life Insurance Fund at end of the period as shown in the Balance-sheet.					
Rs.			Rs.		

NOTES.

(a) These columns apply to all business except business the premiums in respect of which are ordinarily paid outside India. If any question arises whether any premiums are ordinarily paid inside or outside India, the Superintendent of Insurance shall decide the question and his decision shall be final.

(b) If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount so deducted must be shown separately.

(c) All single premiums for annuities, whether immediate or deferred, must be included under this heading.

(d) British Indian, United Kingdom, Foreign and Dominion income-tax on Interest, Dividends and Rents must be shown under this heading, less any rebates of income-tax recovered from the revenue authorities in respect of expenses of management. The separate heading on the other side of the account is for United Kingdom, British Indian, Foreign and Dominion taxes, other than those shown under this item.

(e) In the case of an insurer having his principal place of business outside British India the expenses of management for the total business need not be split up into the several sub-heads, if they are not so split up in his own country.