

**INSURANCE COMPANIES**

REGULATIONS, DATED 11TH SEPTEMBER 1969, MADE BY THE MINISTRY OF COMMERCE UNDER SECTIONS 15, 16, 18, 21, 25, 55 AND 72 OF THE INSURANCE COMPANIES ACT (NORTHERN IRELAND) 1968.

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The Ministry of Commerce, in exercise of the powers conferred upon it by sections 15(2) and (3), 16(1) and (2), 18(1), 21(1), 25(5), 55(3) and 72(1) of the Insurance Companies Act (Northern Ireland) 1968(a) and of all other powers enabling it in that behalf, hereby makes the following Regulations:—

**PART I**  
**GENERAL**

*Citation*

1. These Regulations may be cited as the Insurance Companies (Accounts and Forms) Regulations (Northern Ireland) 1969.

*Commencement*

2. These Regulations shall come into operation on 1st January 1970.

*Revocation*

3. The Orders, Rules and Regulations set out in Schedule 6 are hereby revoked but not so as to affect their operation in relation to the accounts of a company with respect to a financial year beginning before 1st January 1970 or to the audit of such accounts.

*Interpretation*

4.—(1) In these Regulations the following expressions shall have the following meanings respectively:—

“the Ministry” means the Ministry of Commerce;

“the Act” means the Insurance Companies Act (Northern Ireland) 1968;

“the Act of 1960” means the Companies Act (Northern Ireland) 1960(b);

“accounts” means the balance sheet, the profit and loss account and the revenue account;

“authorised unit trust scheme” means a unit trust scheme authorised under the Prevention of Fraud (Investments) Act (Northern Ireland) 1940(c) or under the corresponding enactment in Great Britain;

“aviation hull insurance business” means the business of effecting and carrying out contracts of insurance—

(i) upon aircraft, or upon the machinery, tackle, furniture or equipment of aircraft;

(ii) upon goods, merchandise or property of any description whatever on board of aircraft other than cargo;

(iii) upon the freight of, or any other interest in or relating to, aircraft;

(iv) against damage arising out of, or in connection with, the use of aircraft, other than damage to cargo, including third party risks; or

(v) against any other risks (not being transit risks) insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing sub-paragraphs;

“British Government authority” means Her Majesty’s Government in the United Kingdom, the Government of Northern Ireland, the Government of the Isle of Man or a public or local authority or nationalised industry or undertaking in the United Kingdom or the Isle of Man;

“capital redemption contracts” means contracts falling within paragraph (c) of the definition of ordinary long-term insurance business in section 72(1) of the Act;

“categories of marine, aviation and transport insurance business” are marine hull insurance business, aviation hull insurance business and transport insurance business;

“claims equalisation” means the amount set aside as at the end of the financial year of a company for the purpose of its being used to prevent exceptional fluctuations in the amounts charged to revenue in subsequent financial years in respect of claims under insurance contracts;

“claims outstanding” means the amount set aside as at the end of the financial year of a company to meet claims under contracts of insurance in respect of incidents occurring before the end of that year which have not been paid (including claims the amounts of which have not been determined and claims arising out of incidents which have not been notified to the company) and to meet expenses likely to be incurred in connection with the settlement of such claims;

“company” means an insurance company to which the Act applies not being one which carries on in Northern Ireland no insurance business other than industrial assurance business;

“composite company” means a company which carries on both long-term business and general business;

“equity share capital” has the meaning assigned to it by section 148(5) of the Act of 1960;

“gross premiums” means premiums after deduction of refunds and rebates of premium but before deduction of premiums for reinsurance ceded and commission payable by the company;

“investments” means—

- (i) shares or debentures, or
- (ii) securities of any Government or public or local authority, or
- (iii) rights or interests (described whether as units or otherwise) in any shares or debentures or in any securities of a Government or public or local authority or which may be acquired under any unit trust scheme;

“land” includes any interest or right in or over land, and “freehold land” and “leasehold land” include, in relation to land situated outside the United Kingdom, property in respect of which the company has corresponding rights and, where the company is the lessee of any land and has an option to extend the lease, the duration of the lease shall be taken to include any period for which the company may, by the exercise of the option, extend the lease;

“long-term personal accident contracts” means contracts falling within paragraph (b) of the definition of ordinary long-term insurance business in section 72(1) of the Act;

“marine hull insurance business” means the business of effecting and carrying out contracts of insurance—

- (i) upon vessels, or upon the machinery, tackle, furniture or equipment of vessels;
- (ii) upon goods, merchandise or property of any description whatever on board of vessels other than cargo;
- (iii) upon the freight of, or any other interest in or relating to, vessels;
- (iv) against damage arising out of, or in connection with, the use of vessels, other than damage to cargo, including third party risks;
- (v) against risks incidental to the construction, repair or docking of vessels, including third party risks; or
- (vi) against any other risks (not being transit risks) insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing sub-paragraphs;

“the minimum solvency margin” means, in relation to any company at any time, the amount by which the value of its assets must exceed the

amount of its liabilities at that time if it is not, under section 25(1) of the Act, then to be deemed for the purposes of section 210 of the Act of 1960 to be unable to pay its debts;

“premiums” in relation to long-term business includes the consideration for the granting of an annuity;

“profit and loss account” means, in relation to a company not trading for profit, income and expenditure account;

“quoted investment” has the meaning assigned to it in the Sixth Schedule to the Act of 1960 and “unquoted investment” shall be construed accordingly;

“redeemable investments” means investments which must be redeemed or repaid at or before a particular date;

“reinsurance ceded” includes reinsurance retroceded;

“reinsurance recoveries” includes recoveries in connection with reinsurance retroceded;

“subsidiary” has the same meaning as in the Act of 1960;

“transport insurance business” means the business of effecting and carrying out contracts of insurance against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another), including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance;

“unearned premiums” means the amount set aside as at the end of the financial year of a company out of premiums in respect of risks to be borne by the company after the end of that year under contracts of insurance entered into before the end of that year;

“unexpired risks” means the amount set aside as at the end of the financial year of a company, in addition to unearned premiums, in respect of risks to be borne by the company after the end of that year under contracts of insurance entered into before the end of that year;

“unit trust scheme” has the same meaning as in the Prevention of Fraud (Investments) Act (Northern Ireland) 1940;

“variable interest investments” means investments which are not fixed interest investments;

“year of account” means, in relation to a three-year business revenue statement, to a general business revenue account prepared in the form of such a statement or to any statement prepared under Regulation 13, 16 or 17, the financial year of the company with respect to which the statement is prepared;

“year of origin” means, in relation to any claim made against a company, the financial year of the company in which the claim is, for the purposes of Regulation 17, regarded as having originated.

(2) For the purposes of these Regulations—

(i) an investment shall be deemed to be a fixed interest investment if it is an investment on which the dividend or interest payable is fixed or subject to a fixed minimum amount;

(ii) investments shall be deemed to be guaranteed if the payment of interest or dividend thereon or the return of capital thereunder is guaranteed, and

(iii) a loan shall be deemed to fall due for repayment, and an instalment of a loan shall be deemed to fall due for payment, on the earliest date on which the lender could require repayment or, as the case may be, payment if he exercised all options and rights available to him.

(3) Without prejudice to the provisions of section 33 of the Interpretation Act (Northern Ireland) 1954(d), words and phrases used in these Regulations

shall, except where the context otherwise requires, have the meanings assigned to them in the Act and in the Act of 1960.

### *Application*

5. These Regulations shall apply to every insurance company to which the Act applies other than a company which carries on in Northern Ireland no insurance business other than industrial assurance business.

### *Transitional Provisions*

6.—(1) Regulations 7 to 12 shall not apply to the accounts of a company prepared with respect to a financial year beginning before 1st January 1970 or to the audit of such accounts.

(2) No statement need be prepared by any company under Regulation 13, 16, 17 or 19 with respect to a financial year beginning before 1st January 1970.

(3) Regulation 21 shall not apply to the abstract of the actuary's report of any investigation made in pursuance of section 16(1)(a) of the Act and Regulation 22 shall not apply to any statement of insurance business prepared in pursuance of section 16(2) of the Act as at a date before 1st January 1970.

## PART II

### ACCOUNTS AND AUDIT

#### *Accounts*

7.—(1) The accounts of every company which are prepared in pursuance of section 15 of the Act and all statements, certificates and reports annexed thereto which by this Regulation or by Regulation 8, 9 or 11 are required or permitted to be so annexed shall give a true and fair view of the state of affairs of the company as at the end of its financial year and of the profit or loss of the company for the financial year:

Provided that such accounts, statements, certificates and reports shall not be deemed not to give such a true and fair view by reason only of the fact that the amount at which any asset of the company has been included in the balance sheet is less than the full value of that asset.

(2) Without prejudice to the general requirements of paragraph (1) sections 187 and 188 of the Act of 1960 as adapted in the manner indicated in Schedule 7 shall apply to every company and accordingly there shall be included in the accounts of every company which are prepared in pursuance of section 15 of the Act or in a statement annexed thereto the matters and particulars required to be shown or stated by the said sections as so adapted and in addition—

- (a) the balance sheet and profit and loss account of a company which are so prepared shall comply with the requirements of Schedule 1 hereto so far as applicable thereto;
- (b) the revenue account of a composite company which is so prepared shall be in two parts, one part relating to the company's long-term business and the other part relating to the company's general business;
- (c) the revenue account of a company which in the financial year carried on no insurance business other than long-term business and which is so prepared and that part of the revenue account of a composite company which relates to its long-term business and which is so prepared (each being hereinafter referred to as the "long-term business revenue account") shall be in the form set out in Part I of Schedule 2;

- (d) the long-term business revenue account shall have annexed to it a statement relating to the company's long-term business for the financial year in the form set out in Part II of Schedule 2;
- (e) the revenue account of a company which in the financial year carried on no insurance business other than general business and which is so prepared and that part of the revenue account of a composite company which relates to its general business and which is so prepared (each being hereinafter referred to as the "general business revenue account") shall be in the form set out in Part III of Schedule 2; except that a company which at no time in the financial year carried on any general business other than marine, aviation and transport insurance business may prepare its general business revenue account in the form set out in Part IV of Schedule 2;
- (f) a general business revenue account may have annexed to it a revenue statement in the form set out in Part IV of Schedule 2 relating to any one or more of the categories of marine, aviation and transport insurance business (any statement so annexed being hereinafter referred to as a "three-year business revenue statement");
- (g) every general business revenue account shall have annexed to it a statement relating to the company's general business for the financial year in the form set out in Part V of Schedule 2 (such statement being hereinafter referred to as the "general business premium analysis");
- (h) all amounts which are required to be shown in the accounts or in any statement, certificate or report annexed thereto which by this Regulation or by Regulation 8 or 9 is required or permitted to be so annexed shall be shown in sterling but may be shown to the nearer £1,000 and the basis on which foreign currencies have been converted into sterling, where the amount affected is material, shall be stated in a statement annexed to the accounts;
- (i) for all items shown in the accounts or in any statement, certificate or report annexed thereto which by this Regulation or by Regulation 8 or 9 is required or permitted to be so annexed, other than a three-year business revenue statement or a general business revenue account prepared in the form of such a statement, there shall, except in the case of accounts relating to the first financial year of the company beginning after 31st December 1969, be shown the corresponding amounts for the immediately preceding financial year.

### *Certificates*

8. There shall be annexed to every balance sheet of a company prepared in pursuance of section 15 of the Act a certificate signed by the secretary or manager, if any, and where there are more than two directors of the company by at least two of those directors, and where there are not more than two directors by all the directors, and such certificate shall state—

- (a) whether or not, in the opinion of those signing the certificate, the value of the company's assets at the end of the financial year was in the aggregate at least equal to the aggregate of the amounts thereof shown in the balance sheet and, if for the purpose of giving this opinion any of the assets dealt with in the statement or report prepared in pursuance of paragraph 10 of Schedule 1 have been valued at other than their market value, the basis on which each such valuation was made;
- (b) whether or not, in their opinion, the aggregate of the market values at the end of the financial year of such of the company's realisable domestic assets as were free from any mortgage or charge together with the

aggregate of the market values at that time of the company's equities of redemption in such of its realisable domestic assets as were mortgaged or charged otherwise than to secure the liabilities of a person other than the company was at least equal to the aggregate of the values at that time of the company's domestic liabilities (as defined in section 8(9) of the Act) to the extent that those liabilities were unsecured by mortgages or charges upon the company's realisable domestic assets; and for the purposes of this statement:

- (i) assets shall be deemed to be realisable domestic assets if they were, in the opinion of those signing the statement, realisable in the United Kingdom at the end of the financial year and the documents of title to which (where documents of title existed) were then in the United Kingdom,
- (ii) the extent to which a domestic liability of the company shall be deemed to be unsecured is the amount by which the value of that liability (as stated or included in the balance sheet) exceeds the market value at the end of the financial year of any realisable domestic assets of the company mortgaged or charged to secure that liability; and
- (c) in the case of a company which at the end of the financial year was carrying on general business—
  - (i) the aggregate amount of the premiums as shown in the general business revenue account,
  - (ii) the amount of the minimum solvency margin applicable to that company in the period immediately following the end of the financial year, and
  - (iii) the amount by which, in their opinion, the aggregate of the amounts of the company's assets as stated in the balance sheet exceeded the company's liabilities at the end of the financial year after taking into account all prospective and contingent liabilities but not liabilities in respect of share capital.

9. In the case of a company which annexes a three-year business revenue statement to its general business revenue account or which prepares its general business revenue account in the form of such a statement there shall be contained in a note to that statement or account, as the case may be, a certificate signed by all the persons required to sign the certificate referred to in Regulation 8 stating—

- (a) whether or not, in the opinion of those signing the certificate, the fund carried forward in that statement or account in relation to business transacted in the year of account is sufficient to meet all the liabilities outstanding at the end of the year of account in relation to that business (including those in respect of risks to be borne by the company after the end of the year of account in relation to that business),
- (b) whether or not, in their opinion, the total of the funds carried forward in that statement or account in relation to business transacted in the first year preceding the year of account is sufficient to meet all the liabilities outstanding at the end of the year of account in relation to that business,
- (c) if funds are carried forward in that statement or account in relation to business transacted before the beginning of the first financial year preceding the year of account, whether or not, in their opinion, the total of the funds so carried forward is sufficient to meet all the liabilities outstanding at the end of the year of account in relation to that business, and
- (d) if funds are not carried forward in that statement or account in relation to the business referred to in paragraph (c), whether or not, in their



opinion, the liabilities referred to in the said paragraph (c) have been adequately reinsured and the aggregate amount of premiums required to secure such reinsurance.

10. There shall be annexed to every balance sheet prepared in pursuance of section 15 of the Act being a balance sheet of a company which has at any time during the financial year carried on long-term business a certificate signed by an actuary stating whether or not, in his opinion, the aggregate amount of the liabilities of the company in relation to its long-term business as at the end of the financial year exceeded the aggregate amount of those liabilities as shown in the balance sheet.

11. There shall be annexed to every long-term business revenue account a certificate signed by all the persons required to sign the certificate referred to in Regulation 8 stating whether or not, in the opinion of those signing the certificate, any part of any long-term business fund has been used directly or indirectly for any purpose for which it should not have been used having regard to the provisions of section 14 of the Act and, where applicable, to the provisions of any instrument setting up the fund.

#### *Audit*

12.—(1) The accounts of every company which are prepared in pursuance of section 15 of the Act and every statement, certificate and report annexed thereto which by Regulation 7, 8, 9 or 11 are required or permitted to be so annexed shall be audited by a person or persons who would be qualified to audit them if they were the accounts of a company within the meaning of the Act of 1960 laid before the company in general meeting and he, or where more than one auditor is appointed they, shall make a report on them.

(2) The report shall state whether or not, in the auditors' opinion, the accounts and the statements and reports annexed thereto which by Regulation 7 are required or permitted to be so annexed have been properly prepared in accordance with the provisions of these Regulations and whether or not, in their opinion and according to the information and explanations they have received, the certificates annexed to the accounts in pursuance of Regulations 8, 9 and 11 have been properly prepared in accordance with the provisions of these Regulations and whether or not, in their opinion and according to the information and explanations they have received, it was reasonable for the persons giving those certificates to have arrived at the opinions therein stated.

(3) A copy of the auditors' report shall be annexed to each copy of the accounts deposited with the Ministry in pursuance of section 19 of the Act.

(4) It shall be the duty of the auditors, in preparing their report under this Regulation, to carry out such investigations as will enable them to form an opinion as to the following matters, that is to say,—

(a) whether proper books of account have been kept by the company and proper returns adequate for their audit have been received from branches not visited by them; and

(b) whether the company's accounts and balance sheet are in agreement with the books of account and returns;

and if the auditors are of opinion that proper books of account have not been kept by the company or that proper returns adequate for their audit have not been received from branches not visited by them, or if the accounts and balance sheet are not in agreement with the books of account and returns, the auditors shall state that fact in their report.

(5) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the officers of the company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(6) If the auditors fail to obtain all the information and explanations which to the best of their knowledge and belief are necessary for the purposes of their audit, they shall state that fact in their report.

### PART III

#### PRESCRIPTIONS, STATEMENTS AND ANALYSES

##### *General Business Reinsurance Summary*

**13.** General business is hereby prescribed as a class of insurance business for the purposes of section 18 of the Act and every company which carries on such business shall prepare a statement of business of that class in the form set out in Part I of Schedule 3 with respect to each financial year of the company.

##### *Claim Frequency and Claim Settlement Analyses*

**14.** The following classes of insurance business are hereby prescribed for the purposes of section 18 of the Act, that is to say, liability insurance business, marine, aviation and transport insurance business, motor vehicle insurance business, pecuniary loss insurance business, personal accident insurance business and property insurance business.

**15.** For the purposes of Regulations 16 and 17 the business of each class of insurance business prescribed by Regulation 14 carried on by a company in each country shall be classified by the company into risk groups. Each such risk group shall comprise risks insured by the company in carrying on that class of business in that country which, in the opinion of the directors, are not significantly dissimilar either by reference to the nature of the objects exposed to such risks or by reference to the nature of the cover against such risks given by the company:

Provided that, if the directors are of opinion that the risks insured by the company in carrying on that class of business in that country are not significantly dissimilar either by reference to the nature of the objects exposed to such risks or by reference to the nature of the cover against such risks given by the company, there shall for the purposes of Regulations 16 and 17 be only one risk group for that class of business in that country.

**16.—(1)** Subject to Regulation 18 every company shall, with respect to each financial year and in relation to each risk group of each of the classes of insurance business prescribed by Regulation 14 carried on by it in each country, prepare a statement of its business in the appropriate form set out in Part II of Schedule 3.

(2) For the purposes of this Regulation the appropriate form set out in Part II of Schedule 3 hereto shall, in relation to business dealt with in a three-year revenue statement for the financial year or in a general business revenue account for the financial year prepared in the form of such a statement, be Form Number 2 and in relation to any other business be Form Number 1.

**17.—(1)** Subject to Regulation 18 every company shall, with respect to each financial year and in relation to each risk group of each of the classes of

insurance business prescribed by Regulation 14 carried on by it in each country, prepare statements of its business in the form set out in Part III of Schedule 3 and separate such statements shall be prepared for each completed financial year of the company in which claims within that risk group originated being claims still outstanding at the beginning of the year of account.

(2) For the purposes of this Regulation the financial year of the company in which a claim shall be regarded as having originated is—

- (a) in relation to claims made in connection with business dealt with in a three-year business revenue statement for the year of account or in a general business revenue account for that year prepared in the form of such a statement, the financial year of the company in which the business to which the claim relates is, for the purposes of that statement or account, treated as having been transacted, and
- (b) in relation to other claims, the financial year of the company in which the incident giving rise to the claim occurred.

**18.**—(1) No statement need be prepared under Regulation 16 or 17 with respect to any financial year of a company in relation to any country if the aggregate of the company's gross premiums for that year in respect of general business carried on by it in that country as shown or included in the general business premium analysis of the company for the financial year was less than 2½ per cent. of the aggregate of its gross premiums for that year in respect of general business carried on by it in all parts of the world (including that country) as so shown or included.

(2) No statement need be prepared under Regulation 16 or 17 with respect to any financial year of a company in relation to any class of insurance business prescribed by Regulation 14 carried on by the company in any country if the aggregate of the company's gross premiums for that year in respect of that class of business carried on by it in that country as so shown or included was less than £25,000.

(3) No statement need be prepared under Regulation 16 or 17 with respect to any financial year of a company if the aggregate of the company's gross premiums for that year in respect of its general business carried on in the United Kingdom as so shown or included was less than £25,000.

#### *Summary of Changes in Ordinary Long-Term Insurance Business*

**19.** Ordinary long-term insurance business is hereby prescribed as a class of insurance business for the purposes of section 18 of the Act and every company which carries on such business shall prepare a statement of business of that class in the form set out in Part IV of Schedule 3 with respect to each financial year of the company.

### PART IV

#### ACTUARIAL MATTERS

##### *Qualifications of an Actuary*

**20.** Any person acting as an "actuary" within the meaning of section 72(1) of the Act shall be either—

- (a) a Fellow of the Institute of Actuaries or of the Faculty of Actuaries, or
- (b) such other person having actuarial knowledge as the Ministry may, on the application of a company, approve.

##### *Actuary's Valuation Report*

**21.** The form set out in Schedule 4 is hereby prescribed as the form of abstract of the actuary's report in respect of ordinary long-term insurance business for the purposes of section 16(1)(b) of the Act.

*Statement of Ordinary Long-Term Insurance Business valued*

22. The form set out in Schedule 5 is hereby prescribed as the form of statement of ordinary long-term insurance business for the purposes of section 16(2) of the Act.

PART V  
DEPOSITS

*Withdrawal of deposits*

23.—(1) An application for the consent of the Ministry to the withdrawal of funds deposited by a company with the Accountant General of the Supreme Court under section 2 of the Assurance Companies Act 1909 shall be made by the company in writing to the Ministry and shall be accompanied by a certificate in the following form:—

“We certify that in our belief as at the date of the last balance sheet viz ..... the value of the assets exceeded the amount of the liabilities computed in accordance with section 5(4)(a) of the Insurance Companies Act (Northern Ireland) 1968 by £.....”

(2) The certificate prescribed by paragraph (1) shall be signed by the same persons as are required by section 19(1) of the Act to sign a copy of the balance sheet.

(3) The Ministry may, by notice in writing served upon a company making an application under this Regulation, require it to furnish to the Ministry such explanations, information, accounts and statements as it considers to be necessary to enable the Ministry to be satisfied on the conditions specified in section 55 of the Act, and may, by the notice, require any such explanations, information, accounts or statements to be signed by such number of the directors and by such officers of the company, and to be accompanied by such copies of documents, as may be specified in the notice, and to be certified by a person qualified as an auditor under Regulation 12(1).

(4) If the Ministry is satisfied that the funds deposited with the Accountant General of the Supreme Court under section 2 of the Assurance Companies Act 1909, should be withdrawn, the Ministry shall send to the Accountant General a certificate in the following form and notify the company accordingly:—

“I hereby certify that .....  
of .....  
has satisfied the Ministry in the manner provided by section 55(3) of the Insurance Companies Act (Northern Ireland) 1968 that the funds deposited in Court under section 2 of the Assurance Companies Act 1909 in respect of .....  
business and standing to the credit of the said .....  
..... may be withdrawn.

Dated this        day of                    19        .

Signed .....

(5) Upon the receipt of a notification under paragraph 4 the company may apply in writing to the Accountant General of the Supreme Court for the funds deposited in Court to be transferred to it.

Sealed with the Official Seal of the Ministry of Commerce for Northern Ireland this 11th day of September 1969.

(L.S.)

*W. L. Robinson,*  
Assistant Secretary.

**SCHEDULES**

## SCHEDULE 1

Regulation 7

## PRELIMINARY

1. Part I of this Schedule applies to the balance sheet of every company, Part II applies only to the balance sheet of a company which at no time during the financial year carried on long-term business, Part III applies only to the balance sheet of a company which at no time during the financial year carried on general business, Part IV applies only to the balance sheet of a composite company and Part V applies to the profit and loss account of every company.

## PART I

*Provisions as to the balance sheet of every company*

2.—(1) In arriving at amounts receivable in the balance sheet or in any statement or report annexed thereto, amounts currently receivable from any one person may be included net of amounts currently payable to that person and, in arriving at amounts payable in the balance sheet or in any such statement or report, amounts currently payable to any one person may be included net of amounts currently receivable from that person but, if this be done, there shall be stated by way of note in the balance sheet, or in any such statement or report, the fact that amounts payable and receivable have been shown on this basis.

(2) Subject to sub-paragraph (1) amounts receivable and amounts payable shall be shown in the balance sheet, or in any statement or report annexed thereto, as gross amounts.

3.—(1) Where the amount of any assets shown in the balance sheet or in any statement or report annexed thereto includes an amount of shares in a body corporate falling within any of the descriptions in sub-paragraph (3) or an amount of indebtedness to the company (whether on account of a loan or otherwise) of a person falling within any of those descriptions, in showing the amount of those assets such part of that amount as represents shares in and indebtedness of persons falling within each of those descriptions shall be separately distinguished.

(2) Where the amount of any liabilities shown in the balance sheet or in any statement or report annexed thereto includes an amount of indebtedness of the company (whether on account of a loan or otherwise) to a person falling within any of the descriptions in sub-paragraph (3), in showing the amount of those liabilities such part of that amount as represents indebtedness to persons falling within each of those descriptions shall be separately distinguished.

(3) The descriptions referred to in the foregoing sub-paragraphs are the following:

- (a) a subsidiary of the company;
- (b) a body corporate of which the company is a subsidiary or which is the company's fellow subsidiary;
- (c) a body corporate, not falling within either of the preceding heads of this sub-paragraph, which is controlled by the company;
- (d) a body corporate, not falling within any of the preceding heads, in which the company's assets are invested, the aggregate amount of such assets so invested (as stated or included in the accounts) being an amount which exceeds one tenth of the amount of the company's assets (as so stated);
- (e) a body corporate, not falling within any of the preceding heads, which is a member of a group of connected bodies corporate being bodies corporate in which or in some of which the company's assets are invested, the aggregate amount of such assets so invested in the members of the group (as stated or included in the accounts) being an amount which exceeds one tenth of the amount of the company's assets (as so stated);
- (f) a body corporate, not falling within any of the preceding heads, in which the company holds shares of any class comprised in the equity share capital

SCHEDULE 1—*contd.*

of that body corporate exceeding in nominal value one tenth of the nominal value of the issued shares of that class;

(g) a person, not being a body corporate falling within any of the preceding heads, the amount of whose indebtedness to the company (as stated or included in the accounts) exceeds one tenth of the amount of the company's assets (as so stated).

(4) For the purpose of this paragraph:

(a) a company shall be deemed to be a fellow subsidiary of another body corporate if both are subsidiaries of the same body corporate but neither is the other's;

(b) a company's assets shall be deemed to be invested in another body corporate to the extent that the company's assets consist of shares in or amounts owing (whether on account of a loan or otherwise) from that body corporate;

(c) "group of connected bodies corporate" means any body corporate which is the subsidiary of another or which has subsidiaries together with all other bodies corporate of which it is a subsidiary or a fellow subsidiary and its subsidiaries; and

(d) a body corporate shall be deemed to be controlled by the company if the company and all the officers of the company together are entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the body corporate.

4. The authorised share capital, issued share capital, liabilities and assets shall be summarised, with such particulars as are necessary to disclose the general nature of the assets and liabilities, and there shall be specified—

(a) any part of the issued capital that consists of redeemable preference shares, the earliest and latest dates on which the company has power to redeem those shares, whether those shares must be redeemed in any event or are liable to be redeemed at the option of the company and whether any (and, if so, what) premium is payable on redemption;

(b) so far as the information is not given in the profit and loss account, any share capital on which interest has been paid out of capital during the financial year, and the rate at which interest has been so paid;

(c) the amount of the share premium account;

(d) particulars of any redeemed debentures which the company has power to reissue.

5. There shall be stated under separate headings, so far as they are not written off,—

(a) the preliminary expenses;

(b) any expenses incurred in connection with any issue of share capital or debentures;

(c) any sums paid by way of commission in respect of any shares or debentures;

(d) any sums allowed by way of discount in respect of any debentures; and

(e) the amount of the discount allowed on any issue of shares at a discount.

6. The aggregate amount (before deduction of income tax) which is recommended for distribution by way of dividend shall be shown.

7. Where any liability of the company is secured otherwise than by operation of law on any assets of the company, the fact that that liability is so secured shall be stated, but it shall not be necessary to specify the assets on which the liability is secured.

8. Where any of the company's debentures are held by a nominee of or trustee for the company, the nominal amount of the debentures and the amount at which they are stated in the books of the company shall be stated.

SCHEDULE 1—*contd.*

9.—(1) The matters referred to in the following sub-paragraphs shall be stated by way of note, or in a statement or report annexed, if not otherwise shown.

(2) The number, description and amount of any shares in the company which any person has an option to subscribe for, together with the following particulars of the option, that is to say—

- (a) the period during which it is exercisable;
- (b) the price to be paid for shares subscribed for under it.

(3) The amount of any arrears of fixed cumulative dividends on the company's shares and the period for which the dividends or, if there is more than one class, each class of them are in arrear, the amount to be stated before deduction of income tax, except that, in the case of tax free dividends, the amount shall be shown free of tax and the fact that it is so shown shall also be stated.

(4) Where practicable, the aggregate amount or estimated amount, if it is material, of contracts for capital expenditure, so far as not provided for and, where practicable, the aggregate amount or estimated amount, if it is material, of capital expenditure authorised by the directors which has not been contracted for.

10.—(1) There shall be shown in tabular form in a statement or report annexed to the balance sheet the following matters:

- (a) in respect of fixed interest irredeemable investments—
  - (i) the amount of such investments which were issued or guaranteed by a British Government authority,
  - (ii) the amount of such investments which were issued or guaranteed by a Government or public or local authority not being a British Government authority, and
  - (iii) the amount of such investments not falling within (i) and (ii) distinguishing between those which are quoted investments and those which are not;
- (b) in respect of fixed interest redeemable investments (other than those which must be redeemed within one year after the end of the financial year)—
  - (i) the amount of such investments which were issued or guaranteed by a British Government authority,
  - (ii) the amount of such investments which were issued or guaranteed by a Government or public or local authority not being a British Government authority, and
  - (iii) the amount of such investments not falling within (i) and (ii) distinguishing between those which are quoted investments and those which are not;
- (c) the amount of variable interest investments (other than those which must be redeemed within one year after the end of the financial year) distinguishing between those which are quoted investments and those which are not;
- (d) in respect of land:—
  - (i) the amount of freehold land,
  - (ii) the amount of leasehold land where the lease has not less than fifty years to run from the end of the financial year, and
  - (iii) the amount of leasehold land where the lease has less than fifty years to run from the end of the financial year;
- (e) in respect of mortgages and loans not falling within (a), (b) and (c) and not being mortgages or loans which must be redeemed or repaid within one year after the end of the financial year:—
  - (i) the amount of such loans which are secured on mortgages of residential property intended, at the time the loan was made, for occupation by the borrower,
  - (ii) the amount of such loans otherwise secured on mortgages of land,



SCHEDULE 1—*contd.*

- (iii) the amount of such loans secured on mortgages of life insurance contracts made by the company but not secured upon mortgages of land,
  - (iv) the amount of such loans secured otherwise than by mortgages of land or life insurance contracts made by the company, and
  - (v) the amount of such loans as are unsecured;
  - (f) in respect of investments, mortgages and loans which must be redeemed or repaid within one year after the end of the financial year:—
    - (i) the amount of such as consist of investments, and
    - (ii) the amount of such as consist of mortgages or loans;
  - (g) the amount of deposits withdrawable only after notice of more than seven days and loans repayable only after such notice;
  - (h) the amount of deposits withdrawable at call or at notice of not more than seven days and loans repayable at call or after such notice;
  - (i) the amount of any other assets from which income has been derived in the financial year classified under appropriate headings;
  - (j) the aggregate of the amounts shown in pursuance of the preceding heads of this sub-paragraph;
  - (k) the total amount of the company's income for the financial year (before deduction of United Kingdom and overseas taxation) that is ascribable to all the assets dealt with respectively by each of (a) to (l);
  - (l) the aggregate of the amounts shown in pursuance of (k).
- (2) In the case of a company which at any time in the financial year carried on long-term business—
- (a) if that company also carried on other business in the financial year, in showing the amounts required to be shown by this paragraph, those amounts which do not relate only to the company's long-term business shall for each item be separately shown, and
  - (b) if that company maintains any separate long-term business fund to which a certain group of its assets is appropriated or if the company enters into insurance contracts the benefits of which are wholly or partly linked to the value of or the income from a certain group of its assets, in showing the amounts required to be shown by this paragraph, the amounts which relate to each such group of assets shall for each item be separately shown.
- (3) If any amount which is required to be separately shown in the statement or report annexed to the balance sheet in pursuance of sub-paragraph (1) includes an amount of investments in a unit trust scheme which is not an authorised unit trust scheme, there shall be set out in tabular form in a note to that statement or report particulars relating to the trust property of that unit trust and the income therefrom in the financial year of the company corresponding to the particulars required to be stated in relation to the company's assets by sub-paragraph (1) showing amounts against each item which are attributable to the proportionate interest of the company in that trust property and income.

## PART II

*Additional provisions as to the balance sheet of a company carrying on general business but not long-term business*

11.—(1) There shall be shown under separate headings:—

- (a) in relation to business other than business dealt with in a three-year business revenue statement for the financial year or in a general business revenue account for that year prepared in the form of such a statement, the aggregate amounts set aside respectively for:
  - (i) unearned premiums,
  - (ii) unexpired risks,

SCHEDULE 1—*contd.*

- (iii) claims outstanding, and
  - (iv) claims equalisation;
  - (b) the total of the funds, if any, carried forward in any three-year business revenue statement of the company for the financial year or in the general business revenue account of the company for the financial year if it be prepared in the form of such a statement;
  - (c) the amount payable to policy holders, brokers and agents including any amount payable in connection with reinsurance accepted by the company but excluding any amount payable in connection with claims under insurance contracts;
  - (d) the amount payable to the company's reinsurers identifying any part of the amount of reinsurance premiums payable which has been retained by the company as a security for future claims against the company's reinsurers;
  - (e) the amount payable to persons carrying on insurance business (other than amounts payable in connection with reinsurance accepted and ceded);
  - (f) the amount of bank loans and overdrafts;
  - (g) the amount of loans made to the company, not being bank loans or overdrafts, which—
    - (i) are repayable otherwise than by instalments and fall due for repayment after the expiration of the period of five years beginning with the day next following the expiration of the financial year; or
    - (ii) are repayable by instalments any of which fall due for payment after the expiration of that period;
  - (h) the amount payable to other creditors classified under appropriate headings;
  - (i) other amounts set aside classified under appropriate headings.
- (2) In relation to each loan falling within head (g) of sub-paragraph (1), there shall be stated by way of note (if not otherwise stated) the terms on which it is repayable and the rate at which interest is payable thereon:
- Provided that if the number of loans is such that, in the opinion of the directors, compliance with the foregoing requirement would result in a statement of excessive length, it shall be sufficient to give a general indication of the terms on which the loans are repayable and the rates at which interest is payable thereon.
- (3) In showing the amounts required to be shown by sub-paragraph (1), where an amount under any heading is not material, it need not be shown under a separate heading but, if it is not so shown, it shall be included with the amount under some other heading.
- (4) If an amount is set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation, it shall be stated.
- 12.—(1) There shall be shown under separate headings—
- (a) the amount receivable from policy holders, brokers and agents including any amount receivable in connection with reinsurance accepted by the company identifying any part of the amount receivable by way of reinsurance premiums which has been retained by persons reinsured as a security for future claims against the company;
  - (b) the amount receivable from the company's reinsurers;
  - (c) the amount receivable from persons carrying on insurance business (other than amounts receivable in connection with reinsurance accepted or ceded);
  - (d) the aggregate amount of any outstanding loans made under the authority of section 54(2)(b) or (c) of the Act of 1960;
  - (e) the amount receivable from other debtors;
  - (f) cash on current account at bankers and in hand;
  - (g) if the amount of the goodwill and of any patents and trade marks or part of that amount is shown as a separate item in or is otherwise ascertainable from

SCHEDULE 1—*contd.*

from the books of the company, or from any contract for the sale or purchase of any property to be acquired by the company, or from any documents in the possession of the company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as not written off or, as the case may be, the said amount so far as it is so shown or ascertainable and as so shown or ascertained, as the case may be;

(h) the aggregate of the amounts of the assets shown in the statement or report prepared in pursuance of paragraph 10 except to the extent that any such amount has been included in the amount shown under another heading;

(i) the amount of assets not included in the amounts shown under other headings classified under appropriate headings.

(2) Nothing in head (g) of sub-paragraph (1) shall be taken as requiring the amount of the goodwill, patents and trade marks to be stated otherwise than as a single item.

13.—(1) The matters referred to in the following sub-paragraphs shall be stated by way of note, or in a statement or report annexed, if not otherwise shown.

(2) Particulars of any charge on the assets of the company to secure the liabilities of any other person (other than liabilities arising under a contract of insurance), including, where practicable, the amount secured.

(3) The general nature of any other contingent liabilities not provided for (other than one arising under a contract of insurance) and, where practicable, the aggregate amount or estimated amount of those liabilities, if it is material.

(4) If a sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation has been used during the financial year for another purpose, the amount thereof and the fact that it has been so used.

(5) If the amount carried forward for stock in trade or work in progress is material for the appreciation of the company's state of affairs or of its profit or loss for the financial year, the manner in which that amount has been computed.

(6) The basis on which the amount, if any, set aside for United Kingdom corporation tax is computed.

(7) The amount of that part of the amount of claims outstanding which has been set aside to meet claims and expenses likely to be incurred in connection with the settlement of claims arising out of incidents not notified to the company before the date on which the company's records for the financial year were closed.

## PART III

*Additional provisions as to the balance sheet of a company carrying on long-term business but not general business*

14. The requirements of Part II shall apply and shall apply as if—

(i) for heads (a) and (b) of paragraph 11(1) there were substituted the following:

(a) the amount of each long-term business fund carried forward in the revenue account of the company for the financial year;

(b) the amount of claims admitted but not paid;” and

(ii) paragraph 13(7) were omitted.

## PART IV

*Additional provisions as to the balance sheet of a composite company*

15. The requirements of Part II shall apply and shall apply as if in head (a) of paragraph 11(1) after the words “the aggregate amounts set aside respectively” there were added the words “in relation to the company's general business”. In showing the amount of each item thus required to be shown and in stating any

SCHEDULE 1—*contd.*

matter in relation to any amount thus required to be stated there shall be excluded any part of that amount which relates only to the company's long-term business and, in relation to each amount so excluded, that amount shall be separately shown, or the relevant matter in relation to that amount shall be separately stated, in the balance sheet or in a statement or report annexed thereto and the following amounts in relation to the company's long-term business shall also be so shown under separate headings, that is to say—

- (a) the amount of each fund carried forward in the long-term business revenue account of the company for the financial year, and
- (b) the amount of claims admitted but not paid.

## PART V

*Provisions as to the profit and loss account*

16. There shall be shown—

- (a) in the case of a company which at any time in the financial year carried on general business, the amounts respectively transferred to and transferred from the general business revenue account of the company for the financial year;
- (b) in the case of a company which at any time in the financial year carried on long-term business, the amounts respectively transferred to and transferred from the long-term business revenue account of the company for the financial year;
- (c) the amount of the interest on loans of the following kinds made to the company (whether on the security of debentures or not), namely, bank loans, overdrafts and loans which, not being bank loans or overdrafts,—
  - (i) are repayable otherwise than by instalments and fall due for repayment before the expiration of the period of five years beginning with the day next following the expiration of the financial year; or
  - (ii) are repayable by instalments the last of which falls due for payment before the expiration of that period;
 and the amount of the interest on loans of other kinds so made (whether on the security of debentures or not);
- (d) the amounts respectively provided for redemption of share capital and for redemption of loans;
- (e) the amount of expenses of management not shown in the revenue account;
- (f) the amount of taxation not shown in the revenue account;
- (g) the amount of other expenditure not shown in the revenue account classified under appropriate headings;
- (h) the aggregate amount of interest, dividends and rents (before deduction of tax) not shown in the revenue account;
- (i) the amount of other income not shown in the revenue account classified under appropriate headings;
- (j) the aggregate amount (before deduction of income tax) of the dividends paid and proposed.

17. The amount of any charge arising in consequence of the occurrence of an event in a preceding financial year and of any credit so arising shall, if not included in a heading relating to other matters, be stated under a separate heading.

18. The amount of the remuneration of the auditors shall be shown under a separate heading and, for the purposes of this paragraph, any sums paid by the company in respect of the auditors' expenses shall be deemed to be included in the expression "remuneration".

19.—(1) The matters referred to in the following sub-paragraphs shall be stated by way of note, if not otherwise shown.

SCHEDULE 1—*contd.*

(2) The following amounts (whether or not the whole or any part thereof has been shown in the revenue account for the financial year) distinguishing in each case that part of that amount which relates only to the company's long-term business:—

- (a) the amount of the charge to revenue for United Kingdom corporation tax,
- (b) the amount of the charge for United Kingdom income tax, and
- (c) the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains.

(3) If the amount of the charge to revenue for United Kingdom corporation tax would have been greater but for relief from double taxation, the amount which it would have been but for such relief.

(4) The aggregate amount of the expenses of management (whether or not the whole or any part thereof has been shown in the revenue account of the company for the financial year) distinguishing that part of that amount which relates only to the company's long-term business.

(5) The basis on which the charge for United Kingdom corporation tax and United Kingdom income tax is computed.

(6) Any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

(7) Any material respects in which any items shown in the profit and loss account are affected—

- (a) by transactions of a sort not usually undertaken by the company or otherwise by circumstances of an exceptional or non-recurrent nature; or
- (b) by any change in the basis of accounting.

## SCHEDULE 2

Regulation 7(2)

## PART I

LONG-TERM BUSINESS REVENUE ACCOUNT of the [Name of Company] for the year ending

	Description of category of long-term business (each category in a separate column)	Total
	£	£
<b>INCOME</b>		
1. Fund brought forward		
2. Premiums (net of refunds, rebates and premiums for reinsurance ceded)		
3. Interest, dividends and rents (before tax)		
4. Other income (particulars to be specified)		
5. Total		
<b>EXPENDITURE</b>		
6. Claims (net of reinsurance recoveries)	£	£
7. Commission (net of commission on business ceded)		
8. Expenses of management		
9. Taxation		
10. Shareholders' share of distributable surplus transferred to Profit and Loss Account		
11. Other expenditure (particulars to be specified)		
12. Fund carried forward		
13. Total		

## NOTES:

1. Amounts against each item are to be given in a separate column for each category of long-term business for which a separate fund is maintained.

2. Each amount shown against item 2 is to be analysed in or in a note to the Account, such analysis showing how much of that amount relates to each of the following categories of contract:

- (a) life policies,
- (b) annuities on human life,
- (c) long-term personal accident contracts, and
- (d) capital redemption contracts.

3. Each amount shown against item 6 is to be analysed in or in a note to the Account, such analysis showing how much of that amount consists of each of the following categories of payment:

- (a) payments under life policies on death otherwise than by way of return of premiums,
- (b) payments on the maturity of life policies otherwise than by way of return of premiums,
- (c) payments by way of periodical endowment benefits,
- (d) payments on the surrender of life policies otherwise than by way of return of premiums,
- (e) payments made by way of return of premiums,
- (f) payments on the separate surrender of bonuses attaching to life policies,
- (g) annuity payments,
- (h) payments under long-term personal accident contracts, and
- (i) payments under capital redemption contracts.

## SCHEDULE 2—contd.

## PART II

LONG-TERM BUSINESS ANALYSIS OF PREMIUMS AND OF REINSURANCE CEDED of the [Name of Company] for the year ending

Description of category of long-term business ..... (each category in a separate column)	Total
£	£
1. ANALYSIS OF PREMIUMS	
Gross premiums in respect of	
(a) U.K. business .. .. .	
(b) Overseas business .. .. .	
(c) Total .. .. .	
2. ANALYSIS OF REINSURANCE CEDED	
(i) Reinsurance premiums in respect of	
of	
(a) U.K. business .. .. .	
(b) Overseas business .. .. .	
(c) Total .. .. .	
(ii) Reinsurance recoveries .. .. .	
(iii) Commission (included in (i)) on reinsurance business ceded .. .. .	

SCHEDULE 2—contd.

PART III

GENERAL BUSINESS REVENUE ACCOUNT of the [Name of Company] for the year ending

	Liability	Marine, Aviation and Transport		Motor Vehicle	Pecuniary Loss	Personal Accident	Property	Treaty Reinsurance Accepted other than that included in column 2	Total
		Categories dealt with in any revenue statement annexed	Categories not dealt with in any revenue statement annexed						
	1	2	3	4	5	6	7	8	9
INCOME	£	£	£	£	£	£	£	£	£
1. Unearned premiums brought forward		—							
2. Unexpired risks brought forward ...		—							
3. Claims outstanding brought forward...		—							
4. Claims equalisation brought forward...		—							
5. Fund brought forward ... ..	—		—	—	—	—	—	—	
6. Premiums (net of refunds, rebates and premiums for reinsurance ceded) ...									
7. Interest, dividends and rents (before tax) ... ..									
8. Other income (particulars to be specified)... ..									
9. Transfer from Profit and Loss account									
10. Total ... ..									



EXPENDITURE	£	£	£	£	£	£	£	£	£
11. Claims (net of salvage, reinsurance and other recoveries) ... ..									
12. Commission (net of commission on business ceded) ... ..									
13. Expenses of management ... ..									
14. Taxation ... ..									
15. Other expenditure (particulars to be specified) ... ..									
16. Unearned premiums carried forward		—							
17. Unexpired risks carried forward ...		—							
18. Claims outstanding carried forward		—							
19. Claims equalisation carried forward		—							
20. Fund carried forward ... ..	—		—	—	—	—	—	—	
21. Transfer to Profit and Loss account...									
22. Total ... ..									

## NOTES:

1. Facultative reinsurance business accepted is to be included in whichever is appropriate of columns 1 to 7.
2. The basis on which the amounts shown against items 1 and 16 respectively have been calculated is to be stated in a note on or statement annexed to the account and, if this be less accurate than the twenty-fourths method, the reason for its adoption is to be so stated.
3. The entries in column 2 are to be the same as the entries in column 9 of any three-year business revenue statement annexed.
4. If no three-year business revenue statement is annexed or if one only of the categories of marine, aviation and transport insurance business is dealt with in a three-year business revenue statement which is annexed, there is to be stated in a note on or a statement annexed to the general business revenue account how much of each amount shown in column 3 against items 6 and 11 respectively relate to each of those categories not dealt with in a three-year business revenue statement annexed.
5. If any amount shown in any column against items 1, 2, 3, 4 or 5 does not agree with the corresponding amount carried forward from the previous year's account a statement is to be given of the reasons for the difference.
6. Column 8 is to be completed in respect of all treaty reinsurance acceptances *other* than those included in column 2.

SCHEDULE 2—contd.

PART IV

THREE-YEAR BUSINESS REVENUE STATEMENT of the [Name of Company] for the year ending

	Business transacted in 19.. and earlier years (i.e., before the commencement of the first year preceding the year of account)				Business transacted in 19.. (i.e., in the first year preceding the year of account)			Business transacted in 19.. (i.e., in the year of account)	Income and expenditure in 19.. (i.e., the year of account) [Total of Columns 3, 6 and 8] 9
	Income and expenditure in 19.. (i.e., the second year preceding the year of account) 1	Income and expenditure in 19.. (i.e., the first year preceding the year of account) 2	Income and expenditure in 19.. (i.e., the year of account) 3	Total of Columns 1, 2 and 3 4	Income and expenditure in 19.. (i.e., the first year preceding the year of account) 5	Income and expenditure in 19.. (i.e., the year of account) 6	Total of Columns 5 and 6 7	Income and expenditure in 19.. (i.e., the year of account) 8	
INCOME	£	£	£	£	£	£	£	£	£
1. Fund brought forward ... ..				—			—		
2. Premiums (net of refunds, rebates and premiums for reinsurance ceded)	(a) Marine hull insurance business ... ..								
	(b) Aviation hull insurance business ... ..								
	(c) Transport insurance business ... ..								
3. Interest, dividends and rents (before tax) ...									
4. Other income (particulars to be specified) ...									
5. Transfer from profit and loss account ...									
6. Total ... ..				—			—		

EXPENDITURE		£	£	£	£	£	£	£	£
7. Claims (net of salvage, reinsurance and other recoveries)	(a) Marine hull insurance business ... ..								
	(b) Aviation hull insurance business ... ..								
	(c) Transport insurance business ... ..								
8. Commission (net of commission on business ceded) ... ..									
9. Expenses of management ... ..									
10. Taxation ... ..									
11. Other expenditure (particulars to be specified)									
12. Fund carried forward ... ..				—			—		
13. Transfer to profit and loss account ... ..									
14. Total ... ..				—			—		

## NOTES:

- In showing any amount in column 3 against items 2 or 7 which includes an amount in respect of business transacted before the beginning of the second year preceding the year of account that part of that amount which relates to such business is to be distinguished in a note.
- There is to be stated in a note or statement annexed the basis on which in completing the statement it has been determined in which year any business has been transacted.
- If the amount shown in any column against item 1 does not agree with the corresponding amount carried forward from the previous year's statement a statement is to be given of the reasons for the difference.
- Marine, aviation and transport reinsurance business (if accounted for in three-year form) should be included.

SCHEDULE 2—contd.

PART V

GENERAL BUSINESS PREMIUM ANALYSIS of the [Name of Company] for the year ending

	Liability	Marine, Aviation and Transport			Motor vehicle	Pecuniary loss	Personal accident	Property	Treaty reinsurance not dealt with in columns 1 to 8 9	Total
		Marine hull	Aviation hull	Transport						
	1	2	3	4	5	6	7	8	9	10
	£	£	£	£	£	£	£	£	£	£
<b>1. ANALYSIS OF PREMIUMS</b>										
(i) Gross premiums in respect of—										
(a) U.K. direct and facultative business ...									—	
(b) U.K. reinsurance business other than facultative business ... ..										
(c) overseas direct and facultative business...									—	
(d) overseas reinsurance business other than facultative business ... ..										
(e) treaty reinsurance business in which U.K. and overseas components cannot be distinguished ... ..										
(f) total ... ..										
(ii) Premiums (net of refunds, rebates and premiums for reinsurance ceded)—										
(a) in respect of direct business and facultative reinsurance business accepted, by months in respect of contracts commencing in:										
Month 1									—	
" 2									—	
" 3									—	

" 4										
" 5										
" 6										
" 7										
" 8										
" 9										
" 10										
" 11										
" 12										
(b) in respect of treaty reinsurance business accepted, by quarters in respect of contracts commencing in: First quarter Second quarter Third quarter Fourth quarter										
2. ANALYSIS OF REINSURANCE CEDED										
(i) Reinsurance premiums in respect of:—										
(a) U.K. business ... ..										
(b) overseas business... ..										
(c) treaty reinsurance business in which U.K. and overseas components cannot be distinguished ... ..										
(d) total ... ..										
(ii) Reinsurance recoveries ... ..										
(iii) Commission on reinsurance business ceded										

NOTES:

1. Amounts are to be shown in column 9 only in respect of business accepted or ceded by the company under treaties of reinsurance covering more than one class of insurance business in respect of which it is not practicable to distinguish individual classes of business. Amounts in respect of all other reinsurance business accepted or ceded are to be included in whichever is appropriate of columns 1 to 8.

2. Item 1(ii) is not required to be completed in respect of any category of marine, aviation and transport insurance business dealt with in a three-year business revenue statement annexed to the general business revenue account and that item is not required to be completed at all if the general business revenue account takes the form of a three-year business revenue statement.

## SCHEDULE 3 Regulations 13, 16, 17 and 19

## PART I

GENERAL BUSINESS REINSURANCE SUMMARY of the [Name of Company] for the year ending

*Treaties of reinsurance*

1. The following information is to be given in relation to each reinsurance treaty made by the company in the course of carrying on general business which was in force at any time during the financial year—

- (i) whether the company was the ceding insurer or the accepting reinsurer under the treaty;
- (ii) the classes of general insurance business covered by the treaty and, where marine, aviation and transport insurance business is covered by the treaty, the categories of that class so covered;
- (iii) the name of each country in which business covered by the treaty was carried on by the company in the financial year;
- (iv) if the treaty was not in force throughout the financial year, the period within that year during which it was in force;
- (v) an indication of the nature of the cover given under the treaty;
- (vi) an indication of the extent of the cover given under the treaty;
- (vii) an indication of the size of the business covered under the treaty in the financial year by reference to the gross premiums receivable or payable by the company, as the case may be, or otherwise:

Provided that if the number of such reinsurance treaties was such that, in the opinion of the directors, the giving of this information would result in a statement of excessive length, it shall be sufficient compliance with this paragraph if a description be given of each type of reinsurance treaty made by the company in the course of carrying on general business which was in force at any time during the financial year, distinguishing in each case those treaties under which the company was the ceding insurer from those under which it was the accepting reinsurer, and giving the information required by sub-paragraphs (ii) to (vii) in relation to each such type of reinsurance treaty.

*Facultative reinsurance*

2. An indication is to be given, in relation to each class of general business carried on by the company or, in the case of marine, aviation and transport insurance business in relation to each category of that class of business carried on by the company, of the size of business covered in the financial year under any facultative reinsurance arrangements entered into by the company which were in force at any time in the financial year. This indication may be given by reference to the gross premiums receivable or payable by the company, as the case may be.

*Reinsurance generally*

3. The proportion of the aggregate of the premiums payable by the company under treaties of reinsurance in force at any time during the financial year in the course of carrying on general business which were payable to companies to which the Act does not apply is to be stated.

*Note.*—It shall be sufficient, instead of giving full answers to each particular required by paragraph 1, to state in relation to each such particular what changes have taken place since the last full statement was prepared under the Act provided that such a full statement was so prepared with respect to a financial year subsequent to the fifth financial year before the year of account.

SCHEDULE 3—contd.

PART II

FORM No. 1

For use of the Ministry	Company ref.	Country	Class	Risk group	Year
100					

CLAIM FREQUENCY ANALYSIS of the [Name of Company]

Year of account ending on 19...

Country:	Class:	Risk group:
	insurance business	

	Gross premiums 1 £	Units of exposure 2
A Exposure during year of account		
(a) under contracts commencing during the previous financial year ... ..	1	
(b) under contracts commencing during the year of account	2	
(c) total (a)+(b) ... ..	3	
B Exposure carried forward to financial year following the year of account in respect of contracts commencing during the year of account ... ..	4	

	Number of claims
C Number of claims	
(a) originating in earlier financial years and first notified during the year of account ... ..	5
(b) closed in earlier financial years and reopened during the year of account ... ..	6
(c) originating during the year of account and notified before closure of the records for that year ... ..	7
(d) estimated number of claims originating during the year of account but not notified before the closure of the records for that year ... ..	8
(e) estimated total number of claims attributable to the year of account (c)+(d) ... ..	9

	Per cent.
D Claim frequency in year of account (where units of exposure are given) ... ..	10

N.B. See NOTES 1 to 7 on page 33.

SCHEDULE 3—contd.

FORM No. 2

For use of the Ministry	Company ref.		Country	Class	Risk group	Year
	200					

CLAIM FREQUENCY ANALYSIS of the [Name of Company]

Year of account ending on 19..

Country:	Class:	Risk group:
	insurance business	

		Business transacted in 19.. (i.e., the second financial year preceding the year of account) 1	Business transacted in 19.. (i.e., the first financial year preceding the year of account) 2	Business transacted in 19.. (i.e., the year of account) 3
A. Gross premiums in the year of account	1			
B. Number of claims (a) notified before the beginning of the year of account	2			
(b) notified during the year of account	3			
(c) notified up to the end of the year of account (a)+(b)	4			
(d) estimated to be notified after the end of the year of account	5			

N.B. See NOTES 1 to 4 and 8 on page 33.



SCHEDULE 3—*contd.*

## NOTES TO FORM NO. 1 and FORM NO. 2:

1. Particulars are to be given in connection with business other than reinsurance business accepted by the company under treaties of reinsurance.
2. Particulars of gross premiums are to be shown in sterling.
3. The number of claims shown is to include the number of claims which have been settled without payment.
4. If the period between the end of the year of account and the date on which the company's records for that year are closed is different from the corresponding period for the immediately preceding financial year particulars of the difference are to be stated.

## NOTES TO FORM NO. 1 only:

5. The column headed "Units of Exposure" need be completed only in statements relating to motor vehicle insurance business. In completing this column exposure to risk is to be calculated in annual units and the number of units of exposure under any insurance contract is to be the product of the period (expressed in years) for which the contract was made and an appropriate measure of the cover provided by that contract selected by the company, the measure being either the sum insured under the contract or the number of homogeneous objects, persons or risks insured under the contract. Units of exposure are to be suitably described according to the measure selected. For example: where the measure is a vehicle, the number of units may be described as the number of vehicle/years, where the measure is a person, the number of units may be described as the number of person/years and, where the measure is the sum insured, the units may be described as the number of £1,000/years.

6. In apportioning gross premiums and exposure to risk for the purpose of completing heads A and B, periods of time are to be determined by a method not less accurate than that used for the purposes of the general business revenue account of the company for the year of account to determine the amount of unearned premiums carried forward for the class of business to which the statement relates.

7. The claim frequency in the year of account (head D) is to be the figure given against head C(e) divided by the number of units of exposure given against head A(c) and expressed as a percentage.

## NOTE TO FORM NO. 2 only:

8. Business is to be treated as having been transacted in that financial year of the company in which it is treated as having been transacted for the purposes of the three-year business revenue statement for the year of account or for the purposes of the general business revenue account for the year of account if that has been prepared in the form of such a statement.

SCHEDULE 3—contd.

PART III

For use of the Ministry	300							
	Company ref.	Country	Class	Risk group	Year of origin	Year of account	No. of claims	

CLAIM SETTLEMENT ANALYSIS of the [Name of Company]  
Year of account ending on 19..

Country:	Class:	Risk group:	Year of origin:	Total number of claims attributable to the year of origin:
.....	..... insurance business	.....	.....	.....

Year	Number of claims closed in the year		Number of claims outstanding at the end of the year	Amount of payments made in the year in settlement or on account	Aggregate payments made up to the end of the year	Claims outstanding at the end of the year		Total amount paid and outstanding at the end of the year [Total of Columns 6 and 8] 9 £
	at no cost	at some cost				Payments on account included in column 6	Estimated payments remaining to be made	
1	2	3	4	5 £	6 £	7 £	8 £	9 £
Year of origin 19..	1							
Each intermediate financial year (see Note 3)								
Year of account 19..								

NOTES:

- For the purposes of column 2 a claim is not to be regarded as settled at no cost if any expenses have been incurred by the company specifically in connection with consideration of that claim (e.g. legal, medical or assessment costs).
- Claim payments are to be shown after deduction of salvage and other recoveries but without deduction of recoveries from reinsurers and they are to include costs directly attributable to individual claims (e.g. legal, medical or assessment costs).
- The table is to be prepared so as to provide a separate line for each year between the year of origin and the year of account. Each year shown is to be numbered consecutively in column 1 beginning with the year of origin.

SCHEDULE 3—*contd.*

## PART IV

SUMMARY OF CHANGES IN ORDINARY LONG-TERM-BUSINESS of the [Name of Company]  
for the year ending 19..

(1) *Changes in business in force during the financial year.*

	Assurances		Deferred annuities		Annuities in payment	
	No. of contracts	Sums assured	No. of contracts	Amounts of annuity per annum	No. of contracts	Amounts of annuity per annum
In force at beginning of year		£		£		£
New business Net transfers and other alterations " on "						
Bonus allotted						
Total " on "						
Deaths Maturities Surrenders for cash Forfeitures Conversions to paid-up policies for reduced benefits Net transfers, expiries and other alterations " off "						
Total " off "						
In force at end of year						

## NOTES:

- (i) Separate statements are to be given for United Kingdom and overseas business.
- (ii) Information in the form of the Table is to cover all business other than that under group life or pension schemes and is to be net of reinsurance. For group business, the information need be given only in respect of business in force at the end of the year or, where appropriate, at the last preceding policy anniversaries, but in addition an estimate of the total number of persons covered by group life or pension schemes is to be given in a footnote. Where scheme business by individual policies is not kept separate from non-group business, it may be included in the Table but if this is done the fact is to be stated.
- (iii) Sums assured and amounts of annuity are to include vested bonuses throughout.
- (iv) For decreasing temporary assurances an approximation to the current sum assured may be shown, but if this is done the fact is to be stated.
- (v) Separate statements suitably modified are to be given in respect of capital redemption contracts and long-term personal accident contracts.

## SCHEDULE 3—contd.

(2) *New business taken on in the financial year.*

	Number of contracts	Sums assured or amounts of annuity per annum	Annual premiums	Single premiums and considerations
		£	£	£
Assurances:—				
Non-group ... ..				
Group ... ..				
Total ... ..				
Deferred annuities:—				
Non-group ... ..				
Group ... ..				
Total ... ..				
Immediate annuities:—				
Non-group ... ..				
Group ... ..				
Total ... ..				
Other (to be specified) ...				

## NOTES:

- (i) Separate statements are to be given for United Kingdom and overseas business.
- (ii) The amounts shown for group business are to include increments under existing schemes.

## SCHEDULE 4

## Regulation 21

VALUATION REPORT on [Name of Company] to be made and signed by the actuary.

The following information is to be given, the answers to be numbered to accord with the numbers of the corresponding paragraphs:—

1. The date to which the investigation relates.
2. The date to which the previous investigation under section 16 of the Act related.
3. The general principles adopted in the valuation including specific reference to the following:—
  - (i) the extent to which account has been taken of the nature and term of the assets available to meet the liabilities valued;
  - (ii) if the net premium method has been used, whether and to what extent it has been modified and for what purpose the modification has been made;
  - (iii) whether there were any negative values and, if so, the extent to which they were eliminated;
  - (iv) whether any specific reserve has been made for future bonus and, if so, at what rate or rates.
4. The rates of interest used in the calculation showing which rates of interest have been used for which categories of business.
- 5.—(1) The mortality tables employed in the valuation showing which tables have been used for which categories of business.
  - (2) Where the tables employed have not been published, details of the rates of mortality used.
- 6.—(1) Where an explicit allowance is made in the valuation for future expenses and profits, particulars of the extent of the provision for each category of contract.

SCHEDULE 4—*contd.*

(2) Where the net premium method of valuation has been used, the proportion of the value of future office premiums implicitly reserved for expenses and profits for assurances with participation in profits, assurances without participation in profits, annuities with participation in profits and annuities without participation in profits respectively.

(3) The method by which provision is made for expenses after premiums have ceased or where no future premiums are payable or where the method of valuation does not take credit for future premiums as an asset.

(4) The provision made for premium rate guarantees and guaranteed options with particulars of each type of such guarantee or option given by the company.

7. Full particulars of long-term business reinsurance contracts entered into by the company and in force at any time during the period since the previous investigation corresponding to the particulars relating to the general business of an insurance company set out in Part I of Schedule 3.

8. Separate valuation summaries in the form set out in Form No. 1 in the Appendix in respect of each separate fund for:

- (i) direct business and reinsurance accepted;
- (ii) reinsurance ceded.

9. The general principles on which the distribution of profits among policy-holders and shareholders is made and whether these principles are determined by the instrument constituting the company or by its regulations or bye-laws or how otherwise.

10. Statements of the results of the valuation in the forms set out in Forms No. 2, 3 and 4 in the Appendix.

11. A statement of the categories of contract distinguished in the valuation summaries which will participate in any distribution of profits showing, where some only of the contracts in a particular category participate, the number of contracts so participating and the corresponding sums assured or amounts of annuity.

12. The value of the bonuses allocated which are respectively:—

- (i) declared in the form of cash or in reduction of premium,
- (ii) added to sums assured as reversionary bonuses,
- (iii) added to annuities as reversionary bonuses, and
- (iv) allocated by other methods (each method to be described and shown separately).

13. Any provision made for future payments of mortuary bonuses, that is, bonuses which have been declared as payable only in the event of claims arising during a specified period.

14. Particulars of the bonus declared for each category of contract, including the basis of calculation and the circumstances and the form in which the bonus is payable.

(N.B.—Wherever appropriate, rates of bonus are to be expressed as a fraction of the attribute of the contract to which they are related, e.g., as rates per £100 of the sum assured and existing bonuses.)

15. Where the rates of bonus declared depend on the original term of the contract or on the period of years a contract has been in force or on the age of the life assured, specimen rates at 5-year intervals of original term or duration or at 10-year intervals of age, as the case may be.

16. Where any conditions attach to the allocation of bonus to any category of contract concerning the number of years premiums to be paid before a bonus vests or otherwise, particulars of such conditions in relation to each category of contract.

17. A statement of the practice regarding interim bonuses and the current rates of interim bonus where they differ from the bonus rates last declared.

SCHEDULE 4—contd.

APPENDIX TO SCHEDULE 4

Form No. 1. Valuation Summary.

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Type of insurance	1	2	3 4		5	6 7		8
	Number of contracts	Amount of sums assured or annuities per annum including vested reversionary bonuses	Amount of yearly premiums		Value of sums assured or annuities per annum including vested reversionary bonuses	Value of yearly premiums		Amount of net liability
		£	Office premiums	Net premiums	£	Office premiums	Net premiums	£
<i>Assurances</i>								
(i) With participation in profits:								
Whole life ... ..								
Endowment ... ..								
Other types (to be specified)								
Miscellaneous ... ..								
Total assurances with profits...								
(ii) Without participation in profits:								
Whole life ... ..								
Endowment ... ..								
Other types (to be specified)								
Miscellaneous ... ..								
Total assurances without profits								
Total assurances ... ..								
Adjustments (to be specified)...								
<b>TOTAL OF THE RESULTS:</b>								
(a) United Kingdom business ...								

Insurance Companies

No. 242

(b) Overseas business	...	...						
(c) Global total	...	...						
<b>Annuities</b>								
(i) With participation in profits:								
Life annuities in course of payment...	...	...						
Deferred life annuities	...	...						
Other types (to be specified)	...	...						
Miscellaneous	...	...						
Total annuities with profits	...	...						
(ii) Without participation in profits:								
Life annuities in course of payment	...	...						
Deferred life annuities	...	...						
Other types (to be specified)	...	...						
Miscellaneous	...	...						
Total annuities without profits	...	...						
Total annuities...	...	...						
Adjustments (to be specified)	...	...						
<b>TOTAL OF THE RESULTS:</b>								
(a) United Kingdom business	...	...						
(b) Overseas business	...	...						
(c) Global total	...	...						

N.B. See NOTES on following two pages.

SCHEDULE 4—*contd.*

## NOTES to FORM No. 1.

1. The following categories of contract within each type of insurance are to be shown separately:—

- (i) group contracts;
- (ii) contracts the benefits of which are wholly or partly linked to the income from or the value of any group of the company's assets or wholly or partly calculated by reference to the yield from or the value of any descriptions of investments (whether investments of those descriptions are held by the company or not), distinguishing in each case contracts under which different types of minimum benefit guarantee are given;
- (iii) annuity contracts classified as pension annuity business for United Kingdom tax purposes;
- (iv) group deferred annuity contracts under which premiums have ceased;
- (v) contracts valued by different tables of mortality or at different rates of interest;
- (vi) contracts with options to convert to another type of contract which, if exercised, would in the opinion of the actuary put additional liabilities on the company for which advance provision must be made.

2. Any contract which consists of a combination of different types of insurance is to be treated as a number of separate contracts each dealing with one of the different types of insurance so combined and the amount by which the total number of contracts shown in column 1 of any valuation summary exceeds the actual number of contracts to which that valuation summary relates is to be stated:

Provided that, in relation to any category of such combined contract, any types of insurance included in the combination which in the aggregate account for less than 10 per cent. of the total net liability under that category of contract need not be separately distinguished.

3. Contracts the nature of which or the method of valuation of which make it impossible or inappropriate to give the information required in columns 4, 5, 6 and 7 of any valuation summary are to be shown separately and the reason for the impossibility or the inappropriateness stated.

4. Contracts of any description may be grouped together under any "Miscellaneous" heading provided that the net liability of business shown under all such headings in any one valuation summary does not exceed 5 per cent. of the total net liability of all business shown in that valuation summary.

5. Contracts with deferred participation in profits and contracts with an option to convert to another category of contract (other than those referred to in head (vi) of Note 1) are to be included in the category in which they fall at the date to which the investigation relates.

6. Contracts on more than one life may be included with single life contracts.

7. Contracts subject to limited premiums may be included with contracts under which premiums are payable throughout.

8. Life annuities guaranteed for a term certain or which provide for a refund of the balance of the purchase money on early death may be included with other life annuities.

9. Sums assured under mortgage protection contracts and contracts with decreasing sums assured are to be taken as the sums assured at the date to which the investigation relates and, where such sums are included as approximate amounts only, that fact is to be stated.

10. Assets or investments referred to in head (ii) of Note 1, where they have a market value, are to be taken at their market value converted into sterling at the date of valuation.

11. The following additional information is to be given in relation to each category of contract required by head (ii) of Note 1 to be separately shown:

- (i) the nature of each description of contract within that category and the nature of any non-monetary units by reference to which liability under the contracts within that category is measured;
- (ii) where such non-monetary units do not have a market value, the value at which each such unit was converted into sterling for the purpose of the valuation and the method or methods by which each such value was arrived at;
- (iii) a statement of income and expenditure relating to those assets of the company to the income from which or the value of which the benefits of the contracts within that category are linked, giving the particulars set out in the form of long-term business revenue account contained in Part I of Schedule 2 for the period since the date to which the immediately preceding investigation under section 16 of the Act related unless such particulars have been given separately in each long-term business revenue account of the company prepared in pursuance of section 15 of the Act since that date;



SCHEDULE 4—*contd.*

- (iv) in the case of a category of contract the benefits of which are linked to the units of an authorised unit trust scheme, the nature of the company's relationship to the manager and to the trustee of that unit trust scheme;
- (v) particulars of each type of minimum benefit guarantee required by head (ii) of Note 1 to be distinguished are to be given and the amounts of guaranteed minimum sums assured or annuities are to be shown in the valuation summary:

Provided that the information required by head (iii) of this Note need not be given in relation to a category of contract the benefits of which are linked to the income from or the value of the units of an authorised unit trust scheme.

12. In relation to group deferred annuity contracts under which premiums have not ceased, a statement of how the amount of yearly office premiums has been arrived at is to be given.

13. Where for group life and pension schemes the net liability at the valuation date is based on that in respect of the business in force at the last scheme revision date, any adjustment on account of changes after that date is to be shown separately.

14. It is to be stated, in relation to each category of deferred annuity dealt with in each valuation summary, whether the amount shown in column 2 of that valuation summary is the full pension which would come into payment on the pension date or the amount accrued or actually purchased at the date to which the investigation relates and, where it is the amount accrued or actually purchased at that date, an estimate of the full prospective pension for that category is to be given.

SCHEDULE 4—*contd.**Form No. 2. Valuation Balance Sheet*

	£		£
1. Net liability at the valuation date ... ..		5. Fund (as per balance sheet)	
2. Transfers to other accounts (each transfer to be specified)		6. Amounts distributed or paid by way of interim bonus since the previous valuation	
3. Surplus (if any) including shareholders' share of distributable surplus ... ..		7. Transfers from other accounts (each transfer to be specified) ... ..	
		8. Deficiency (if any) ...	
4. Total ... ..		9. Total ... ..	

*Form No. 3. Composition of Surplus*

	£
10. Brought forward unappropriated from last valuation ... ..	
11. Amounts distributed or paid by way of interim bonus since the previous valuation ... ..	
12. Transfers from other accounts (each transfer to be specified) ... ..	
13. Balance of surplus arising since last valuation ... ..	
14. Total ... ..	

*Form No. 4. Distribution of Surplus*

	£
15. Amount (including interim bonus) allocated or paid to:	
(a) Assurances with contractual participation in profits ... ..	
(b) Annuities with contractual participation in profits ... ..	
(c) Other assurances ... ..	
(d) Other annuities ... ..	
16. Transfer to profit and loss account of shareholders' share of distributable surplus ... ..	
17. Other transfers (each transfer to be specified) ... ..	
18. Balance of surplus carried forward unappropriated ... ..	
19. Total ... ..	

## NOTES to Forms No. 2, 3 and 4:

1. The amounts shown against items 2 and 7 are not to include transfers brought into account prior to the valuation.

2. The amounts shown against items 3, 14 and 19 are to be the same.

3. The amounts shown against items 6 and 11 are to be the same.

## SCHEDULE 5

## Regulation 22

STATEMENT OF THE ORDINARY LONG-TERM INSURANCE BUSINESS of the [Name of Company] valued as at the \_\_\_\_\_ to be signed by the Actuary.

1.—(1) A statement for each category of contract which is separately distinguished in the valuation summaries is to be given in such one of the forms set out in Tables A, B, C and D in the Appendix as is appropriate to that category of contract or, in the case of a category of contract to which none of these forms is appropriate, in such form and containing such particulars as are sufficient to enable an independent assessment of the liabilities of the company's ordinary long-term business to be made. A separate statement is to be given in respect of each category for (i) direct business and reinsurance accepted and (ii) reinsurance ceded.

(2) Where contracts are written in currencies other than sterling, amounts in such currencies may be distinguished in the statements referred to in subparagraph (1) and expressed in those currencies provided that the "total" items in each statement are also given in sterling for each currency at the rate of exchange for that currency used for the purpose of preparing the valuation summaries.

(3) In the case of contracts the benefits of which are wholly or partly linked to the income from or the value of any group of the company's assets or wholly or partly calculated by reference to the yield from or the value of any descriptions of investments, the current sum assured or the amount of annuity and any guaranteed minimum amount payable are to be stated, the amounts being expressed in terms of currency or units as appropriate. In the case of contracts expressed in non-monetary units the sterling value of the units at 3-monthly intervals since the date of the previous statement prepared under section 16(2) of the Act are to be given in a supplement.

(4) In the case of a category of contract subject to premiums payable only for a limited term, the premiums are to be classified either—

(a) according to age, or

(b) according to the number of annual payments remaining to be made,

but if the premiums are classified according to age there is to be appended to the Table either a statement of the corresponding valuation factors required in calculating the value of future premiums or a statement of the average future period of payment of the premiums at each age.

2. In the case of a category of contract which in the directors' opinion is not significant in relation to the company's business as a whole, a statement may be prepared in the form set out in Table E in the Appendix and, if this be done, no statement need be prepared in pursuance of paragraph 1 for that category of contract:

Provided that advantage may be taken of this paragraph only to the extent that the net liability in respect of all categories of contract for which statements are not prepared in pursuance of paragraph 1 does not exceed 10 per cent. of the aggregate net liability of the company's ordinary long-term insurance business.

3. Tables are to be given of the amounts currently allowed for the surrender of contracts and for the conversion of contracts to free paid-up contracts for whole life assurances, endowment assurances and deferred annuities respectively or statements given of the methods employed in calculating such surrender values or paid-up values with examples of the application of the method, in the case of whole life assurances, to contracts which have been in force for 1, 2, 3, 4, 5, 10, 15 and 20 years taken out at ages 20, 30, 40 and 50 respectively and, in the case of endowment assurances, to contracts for original terms of 10, 20 and 30 years maturing at age 65 in each case.

4. Particulars are to be given of any minimum surrender values or paid-up values guaranteed in the contracts, if these differ from the amounts currently allowed.

5. Where any of the surrender values or paid-up values referred to in paragraphs 3 and 4 are the minimum amounts prescribed under the Industrial Assurance Act (Northern Ireland) 1924(e) or the Industrial Assurance and Friendly Societies Act (Northern Ireland) 1929(f), this fact is to be stated.

SCHEDULE 5—*contd.*

6. Particulars of the premium rates being charged for new contracts offered in the United Kingdom, whether by prospectus or otherwise, at the date to which the statement relates are to be given.

7. The proportion of the total net liability of the company's ordinary long-term insurance business as shown in the valuation summaries represented by liabilities not matched by assets in the same currency is to be stated.

8.—(1) Statements are to be given in the form set out in Table F in the Appendix relating to the assets attributable to each ordinary long-term insurance business fund for which separate assets are maintained and, where there are contracts the benefits of which are wholly or partly linked to the income from or the value of a group of the assets attributable to an ordinary long-term insurance business fund, separate such statements are to be given in relation to each such group of assets and in relation to the remainder of the assets (if any) attributable to that fund.

(2) For those ordinary long-term insurance business funds for which separate assets are not maintained a statement in the form set out in Table F is to be given relating to all the assets regarded by the directors as available for meeting the combined liabilities of those funds.

(3) If any amount shown in a statement given in pursuance of this paragraph includes an amount of investments in a unit trust scheme which is not an authorised unit trust scheme a separate statement in the form set out in Table F is to be prepared in relation to the trust property of that unit trust scheme and the income therefrom, giving amounts against each item attributable to the proportionate interest of the company in that trust property and income.

SCHEDULE 5—*contd.*

## APPENDIX TO SCHEDULE 5

## TABLE A

*Whole Life Assurances*

Age (starting with the youngest)	Sums assured	Reversionary bonuses	Yearly office premiums
Total			

## NOTES to Table A:

1. The information may be given for 5-year age groups.
2. An indication is to be given of how the age has been assessed.

## TABLE B

*Endowment Assurances*

Year of maturity (starting with the nearest)	Sums assured	Reversionary bonuses	Yearly office premiums
Total			

NOTE to Table B: The information may be given for 5-year groups of year of maturity for contracts maturing more than 15 years after the valuation date.

## SCHEDULE 5—contd.

TABLE C

## Deferred Annuities

Year in which payment is due to commence (starting with the nearest)	Men			Women		
	Annual amount of annuities (excluding bonus)	Amount of bonus additions per annum	Yearly office premiums	Annual amount of annuities (excluding bonus)	Amount of bonus additions per annum	Yearly office premiums
Total						

## NOTES to Table C:

1. The information may be given for 5-year groups of year of commencement.
2. The amount of annuity shown is to be the amount used in the calculation of the corresponding net liability shown in the relevant valuation summary. Where this amount is the amount purchased to the date of the valuation no office yearly premiums need be shown.
3. Separate Tables are to be given in respect of business with a return of premiums on death before pension age and in respect of business with no such benefit, provided that one Table only need be given for both these categories if that Table contains sufficient additional information to enable the actuarial value of the death benefit to be estimated.
4. Where separate Tables are not given for each age at which annuities are due to commence the proportion of the business relating to each age of commencement or the average age at commencement is to be stated.
5. Where retirement has been deferred beyond the age at which the annuity was due to commence, the basis on which the amount of annuity has been included is to be stated.

SCHEDULE 5—contd.

TABLE D

Annuities in Payment

Part I: LIFE ANNUITIES including annuities guaranteed for a term certain.

Age (starting with the youngest)	Amounts in payment per annum	
	Men	Women
<b>Total</b>		

Part II: ANNUITIES payable for a term certain only:

Year in which payment ceases	Amount in payment per annum
<b>Total</b>	

NOTES to Table D:

1. For ages under 60 the information may be given for 5-year age groups.
2. The basis on which the age has been assessed is to be stated.
3. Annuities not yet payable, because retirement has been deferred beyond normal pension age, are to be recorded as deferred annuities.

TABLE E

Description of category of contract .....	
1. Total number of contracts .....	
2. Total of the sums assured or annual amounts of annuity £ .....	
3. Total reversionary bonuses £ .....	
4. Total yearly office premiums £ .....	
5. Total net liability £ .....	

## SCHEDULE 5—contd.

TABLE F

ASSETS at 19 \_\_\_\_\_ attributable to the company's ordinary long-term insurance business

## PART I: TOTAL ASSETS

	Book value	Income on an annual basis
	£	£
1. Fixed interest irredeemable investments ... ..		
2. Fixed interest redeemable investments (other than those falling within item 6) ... ..		
3. Variable interest investments (other than those falling within item 6) ... ..		
4. Land ... ..		
5. Mortgages and other secured loans (other than those falling within items 1, 2, 3 or 6) ... ..		
6. Investments, mortgages and other secured loans maturing within one year after the date as at which the Table is prepared—		
(a) Fixed interest redeemable investments ... ..		
(b) Other ... ..		
7. All other assets ... ..		
8. Total ... ..		

## PART II: CLASSIFICATION of fixed interest redeemable investments

Year of redemption	Book value	Amount payable on redemption	Income on an annual basis
	£	£	£
Total			

## NOTES to Table F:

1. The latest of any optional redemption years is to be given or a note appended stating how it has been assumed the option will be exercised. The information may be given for 5-year groups of year of redemption.

2. The annual income is to be shown before deduction of tax.



## SCHEDULE 6

Regulation 3

## REVOCATION

- Order of the Board of Trade dated 6th June 1910 (S.R. & O. 1910 No. 566).  
Order of the Board of Trade dated 7th July 1915 (S.R. & O. 1915 No. 643).  
Order of the Board of Trade dated 24th January 1917 (S.R. & O. 1917 No. 86).  
Order of the Board of Trade dated 6th May 1921 (S.R. & O. 1921 No. 798).  
Order of the Ministry of Commerce dated 9th December 1930 (S.R. & O. (N.I.) 1930 No. 154).  
Assurance Companies (Withdrawal of Deposits) Rules (Northern Ireland) 1947 (S.R. & O. (N.I.) 1947 No. 22).  
Assurance Companies (Balance Sheet Certificate) Regulations (Northern Ireland) 1947 (S.R. & O. (N.I.) 1947 No. 24).  
Order of the Ministry of Commerce dated 18th October 1948 (S.R. & O. (N.I.) 1948 No. 285).

## SCHEDULE 7

Regulation 7(2)

## APPLICATION OF PROVISIONS OF ACT OF 1960

Column 1 Provisions of the Act of 1960 applicable to a company's accounts prepared under section 15 of the Act	Column 2 Adaptations
Section 187	<p>1. For sub-section (1) there shall be substituted the following:—            “In any accounts of an insurance company prepared in pursuance of section 15 of the Insurance Companies Act (Northern Ireland) 1968, or in a statement annexed thereto, there shall, subject to and in accordance with the provisions of this section, be furnished the information required to be shown by sub-section (2), so far as it is contained in the company's books or papers or the company has the right to obtain it from the persons concerned.”</p> <p>2. For sub-section (9) there shall be substituted the following:—            “If in the case of any such accounts as aforesaid the requirements of this section are not complied with, it shall be the duty of the auditors of the company by whom the accounts are examined to include in their report thereon, so far as they are reasonably able to do so, a statement giving the required particulars.”</p>
Section 188	<p>3. For the words in sub-section (1) from the beginning of the sub-section to the word “meeting” there shall be substituted the words “The accounts of an insurance company prepared in pursuance of section 15 of the Insurance Companies Act (Northern Ireland) 1968”.</p>

## EXPLANATORY NOTE

*(This Note is not part of the Regulations but is intended to indicate their general purport.)*

These Regulations prescribe the contents of the accounts of insurance companies to be prepared under the Insurance Companies Act (Northern Ireland) 1968 and make provision for the audit of those accounts. They also prescribe forms of statements of business to be prepared by insurance companies under that Act, the form of the actuaries' reports on their long-term business, and the withdrawal of certain deposits made by insurance companies.

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This Order has been exempted from printing by the Statutory Rules Act (Northern Ireland) 1958. A summary is given in the List of Statutory Rules and Orders of a Local Character under the heading ROADS.